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Delgations Meet in Tokyo on Missile Technology

OW1903122391 Tokyo KYODO in English 0950 GMT 19 Mar 91

[Text] Tokyo, March 19 KYODO—Official delegations from 16 countries met here Tuesday with the aim of tightening controls over missile technology transfers to limit the risks of nuclear proliferation.

The fourth plenary meeting of the missile technology control regime (MTCR), which opened at the Foreign Ministry, was the first major international gathering since the end of the Persian Gulf war related to the issue of nonproliferation of weapons of mass destruction.

The meeting, expected to end Wednesday, followed a technical session on Monday, at which the 16 member countries cleared up a number of ambiguities in a set of guidelines governing the transfer of sensitive missile technologies, namely those that could contribute to nuclear weapons delivery systems other than manned aircraft.

Japanese officials said that some clauses as they had stood were subject to varied interpretations depending on the individual countries.

They also noted a need for the guidelines to reflect the present postwar situation.

Participants in the plenary session were said to have discussed how to extend the guidelines to countries other than the 16 current members, which include Australia, Belgium, Britain, Canada, France, Germany, Italy, Japan, the Netherlands, Spain, and the United States.

Austria, Denmark, New Zealand and Norway were participating for the first time.

Questioned on prospects for participation by the Soviet Union and China, officials said that while the nonproliferation guidelines are open for all countries to accept, it is another thing to become a member of the consultatory body.

But the officials said that membership for the Soviet Union and China would likely be discussed. They would not elaborate on why they have not been invited to participate to date.

Soviet-made Scud missile systems, employed by Iraq in the Gulf war to strike at Israel and Saudi Arabia, fall among the systems relevant to the guidelines, or those capable of delivering at least a 500 kilogram payload to a range of at least 300 kilometers.

Japanese Deputy Foreign Minister Koji Watanabe, who opened the plenary meeting, said, "the very fact that Scud missiles were launched against friendly and peaceful countries until a fortnight ago ... brings to us once again the urgency of the proliferation issue of mass destruction weapons."

The forum was first established in 1987 by the seven major economic powers who meet annually for summit meetings.

The group's last plenary meeting was held in July 1990 in Ottawa.

Delegations Agree To Stem Flow

OW2003102691 Tokyo KYODO in English 0850 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—Delegations from 15 Western governments Wednesday agreed to tighten controls over missile technology transfers to limit the risks of weapons of mass destruction proliferating, Japanese Foreign Ministry officials said.

Officials said the two-day meeting on the Missile Technology Control Regime (MTCR) ended in agreement on the need to expand the forum's guidelines, which at present only govern the transfer of sensitive missile technologies that could contribute to nuclear weapons' delivery systems.

The forum members issued a joint appeal calling on all countries to adopt MTCR guidelines as they stand "in the light of growing concern over missile proliferation and in the interest of international peace and security."

Participants agreed on a proposal for the next meeting in Washinton next autumn that seeks a broadening of the regime's scope to encompass delivery systems for all types of mass destruction weapons, officials said.

This was partly because of concern over the proliferation of chemical and biological weapons and delivery systems heightened by the Persian Gulf war, government sources said.

Fifteen out of all the 16 members of the forum sent delegations to the meeting. Luxembourg did not send a delegation, however.

Officials said the delegations discussed the inclusion on the forum of Turkey and several nonparticipating European nations.

The 15 members are Australia, Austria, Belgium, Britain, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, and the United States.

The MTCR forum was first established in 1987 by the seven major economies who meet annually for summit meetings. The group's last plenary meeting was held in July 1990 in Ottawa.

Meeting Ends in 'Basic Agreement'

OW2003145491 Tokyo KYODO in English 1215 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—Delegations from 15 Western governments agreed here Wednesday to tighten export controls in order to stem the proliferation of weapons of mass destruction in the wake of the Persian Gulf War, Foreign Ministry officials said.

Officials said the two-day meeting on the Missile Technology Control Regime (MTCR), originally conceived only to halt nuclear proliferation, ended in basic agreement on the need to consider expanding its objectives to stop the spread of chemical and biological weapons.

"There was a common feeling among the participants that in view of this situation there was a need to further strengthen the control of the transfer of missile technologies," explained one official, who spoke on condition of anonymity.

The MTCR "guidelines" adopted at the forum's first meeting in 1987 only govern the export of sensitive missile technologies that could contribute to nuclear weapons delivery systems.

Officials said the proposal that the scope of the regime be broadened to encompass technologies relevant to all types of weapons of mass destruction was put on the agenda for the forum's next plenary meeting in Washington next fall.

Meanwhile, at Japan's initiative, the forum members issued a joint appeal to nonparticipating countries to adopt the guidelines "in the interest of international peace and security."

One official noted that the fact that major missile exporters like the Soviet Union and China have yet to commit themselves to the guidelines "is a serious flaw for the effective functioning of the MCTR."

Officials said that Japan, as the only Asian county in the forum, would approach China to encourage it to abide by the guidelines. They denied that sanctions were discussed as a form of coercion.

The present forum members are Australia, Austria, Belgium, Britain, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, and the United States.

Luxembourg, also a member, did not participate in the Tokyo meeting.

Officials said the delegations discussed the prospects for bringing several other European nations and Turkey into the forum, but would not say whether the possible inclusion of the Soviet Union and China was discussed.

One official said that the Soviet Union and China could conceivably be included in the future "if they really adopt the guidelines and if their export control system is really credible."

The plenary meeting was preceded by sessions of technical experts who proposed modifications of an annex to the MTCR guidelines listing missile-related equipment and technologies subject to export regulations.

"The way the items, both equipment and technology, are described ...are, in the eyes of licensing and enforcing officials, not precise enough," said one official, who added that the vagueness leaves them open to varied interpretations.

The proposed modifications were adopted later in the plenary session, but about half of the items needing clarification were not addressed in Tokyo due to time limitations, officials said.

They said it was decided to hold another technical experts meeting in Paris in May or June and to issue a full revision of the annex by the end of the year.

Officials said that a formal decision at the next meeting in Washington to expand the regime's basic objectives to encompass biological and nuclear weapons would involve a major overhaul of the guidelines and the annex.

The annex of the present guidelines, for example, restricts exports of complete rocket systems and unmanned air vehicle systems capable of delivering at least a 500-kilogram payload to a range of at least 300 kilometers.

But those parameters would have to be lowered if the guidelines are to encompass lighter-weight missiles which can carry chemical and biological warheads over closer distances.

The MTCR forum, originally set up by the seven major industrialized democracies who meet annually for summit meetings, is similar to COCOM, another Western export control regime, in that the details of its proceedings are kept confidential.

The group's last plenary meeting was held in July 1990 in Ottawa.

ASEAN Trade Officials Agree on Tariffs Approach

BK1903051991 Bangkok BANGKOK POST in English 19 Mar 91 p 26

[Text] Senior ASEAN-member trade officials have agreed to explore new approaches to common effective preferential tariffs by circulating goods which do not attract tariffs or pay only low import duties.

The reduction in import tariffs on certain goods traded by member countries would allow for the introduction of an "effective rate" common to all members.

A Commerce Ministry official who attended the meeting of senior trade officials in Bandung, Indonesia last week said the new concept could be described as an "ASEAN stategic programme" aimed at strengthening economic cooperation between members.

The common effective preferential tariff (CEPT) concept calls on participating countries to group goods whose import duties would be cut by the same rate to one of four levels: 0-5 percent, 5-10 percent, 10 percent-15 percent and 15-20 percent.

The official said products such as cement, pulp and fertiliser would be traded between members without attracting duties.

The source said the ASEAN Chamber of Commerce and Industries proposed a reduction in import duties under the CEPT programme on processed foods, handicrafts, textiles and garments, processed timber, sports shoes, and jewelry and gems.

But regulations such as those covering the country of origin were needed to prevent members importing products from countries outside ASEAN and selling them to fellow members.

The official said ASEAN member representatives believed CEPT would be more effective than existing ASEAN programmes such as the ASEAN Industrial Joint Venture programme and the Preferential Tariff Arrangement (PTA) programme.

Talk at the meeting was suspended on the Malaysian proposal to form an East Asian Economic Cooperation Group after it was agreed to discuss the matter at the next senior officials meeting.

This meeting will be held before the ASEAN Economic Ministers meeting in Kuala Lumpur in October.

The meeting agreed ASEAN members should open talks to formulate a common ASEAN position on the General Agreement on Tariff and Trade talks, which have reopened after failing to reach a conclusion last year.

He said another meeting would be held June 5-6 after the ASEAN-EC Ministerial Meeting is held in Luxembourg in early June.

Pacific Economic Forum Predicts Stable Growth

OW1903142991 Tokyo KYODO in English 1317 GMT 19 Mar 91

[Text] Osaka, March 19 KYODO—A private Asian economic forum forecast Tuesday the economies of the Asian region will pick up in the latter half of 1991 after a temporary slowdown in the first half.

The Pacific Economic Cooperation Conference, formed by 15 countries and territories in the Asia-Pacific area, made the optimistic prediction in a report issued after a two-day meeting in Osaka Tuesday.

The report said the economies of 14 countries in the region, including Japan, the United States, China, Hong Kong and the Association of Southeast Asian Nations, will grow 4.2 percent in 1991, down 0.8 percentage point from 1990.

The report, however, said the growth will accelerate in the latter half of 1991, with expansion in 1992 estimated at 5.3 percent.

The report estimated the U.S. economy will grow 0.4 percent in 1991, compared with 2.2 percent for Australia, while Canada will suffer a 0.4 percent decline.

Growth for Malaysia is estimated at 8.3 percent, compared with a 7.4 percent rise for Thailand, and a 5.6 percent expansion for Indonesia, the report said.

However, it warned that these ASEAN nations will record high inflation rates, ranging from 5 to 7 percent.

Japan

Official on Possible USSR Return of 2 Islands

OW2103054791 Tokyo KYODO in English 0444 GMT 21 Mar 91

[Text] Tokyo, March 21 KYODO—The Soviet Union may propose to Japan that it will return two of the four islands off eastern Hokkaido claimed by Tokyo, a senior Foreign Ministry official said on Wednesday.

Nagao Hyodo, director general of the ministry's European and Oceanic Affairs Bureau, made the remark at a House of Councilors Budget Committee meeting.

The Kremlin may give the Habomai chain and Shikotan back to Tokyo in line with the 1956 Japan-Soviet Joint Declaration pledging the return of the two islands to Japan.

The Soviet Union has occupied the four islands—the Habomai Group, Shikotan, Etorofu, and Kunashiri—since the end of World War II. Japan has been demanding the simultaneous return of all four islands as a prerequisite for concluding a peace treaty between the two countries.

Foreign Minister Taro Nakayama told the Upper House that the Government will not agree with the Soviet Union on the return of the two islands to Japan even if Moscow makes the proposal.

But Nakayama said he expected Soviet President Mikhail Gorbachev's visit to Japan scheduled for April 16-19 will bring about a major turning point on the territorial issue paving the way for the signing of a peace treaty between the two countries.

Japan's second-largest opposition party, Komeito, held a meeting of its top officials to reconfirm that the Soviet Union should give all four islands back to Japan at the same time.

The top officials said Japan must not extend economic aid to the Soviet Union as long as the territorial issue remains unresolved.

The Social Democratic Party (SDP) held a Project Committee meeting Wednesday and decided to make a major change in the party's policy concerning the territorial issue. The shift will mean that the SDP will agree to the return of two islands now instead of the four islands at the same time.

Japan's largest opposition party, formerly called Japan Socialist Party, said it was legitimate for the party to demand the return of the Kuril Islands that include the four disputed islands from the standpoint of international law.

But the SDP implied it will support the return of only two islands, saying that it is high time for political considerations to be made to break the long-standing deadlock on the territorial issue.

Okinawa Prefecture on USMC Firing Exercises

OW1903143691 Naha RYUKYU SHIMPO in Japanese 17 Mar 91 Morning Edition p 1

[Text] The Ota Administration of Okinawa prefecture has adopted a stance on directly calling on the U.S. Marine Corps [USMC] Headquarters to suspend live firing exercises by blocking Prefectural Highway Route 104. However, it was disclosed on 16 March that the USMC Headquarters has refused meeting Prefectural Government officials face to face on the last two live firing exercises.

This was disclosed by Yohena, deputy director of the Governor's Executive Office [GEO], at a meeting with representatives of the Okinawan Toitsuren [United Action Liaison Council To Defend Livelihood and Democracy] who called on Yohena to ask for the Prefectural Government's efforts to stop upcoming live firing exercises scheduled for 19 and 20 March. At the meeting, Deputy Director Yohena stated: "The Prefectural Government has conveyed directly to the U.S. forces our intention to request suspension of the exercises. However, they refused to see us on the last two exercises."

Commenting on the issue, the USMC Headquarters' Press Section has indicated the reason for its "refusal" as follows: "We may see Prefectural Government officials on adjustments of exercise schedules but we cannot accept requests for suspending exercises. Because we are stationed and conducting exercises here in Okinawa in accordance with the Japan-U.S. Security Treaty, we have conveyed to the Prefectural Government that such requests should go to appropriate agencies of the Japanese Government." Thus, the USMC side has clarified their position that they will continue to refuse meeting officials on the "suspension of exercises" hereafter.

Under the Nishime administration, prefectural government officials did not take such direct actions as to call at the USMC Headquarters to request suspension of live firing exercises. However, since the inauguration of the Ota administration, such officials as the GEO director or deputy director have started calling at the USMC Headquarters in Ishinda, Kitanakagusku Village, for this purpose.

Charges in DPRK Fishing Operation Dropped

OW2003145591 Tokyo KYODO in English 1436 GMT 20 Mar 91

[Text] Kushiro, Hokkaido Pref., March 20 KYODO—The Kushiro district public prosecutor's office on Wednesday dropped poaching charges against 35 Japanese fishermen who took part in a North Korean fishing operation in Soviet territorial waters last May.

The owners of 12 Japanese fishing boats, skippers, and crewmen, who flew North Korean flags while poaching trout and salmon in Soviet waters in the north Pacific Ocean, will not come before a district court, the prosecutor's office said.

The office decided not to indict the Kushiro-based Shoho Gyogyo Fishing Co. employees because the boat owners did not make any profits, as the fish were unloaded in North Korea.

It said Japan's Fishery Agency has imposed an administrative penalty on the company, while the Soviet Union concluded that North Korea, in directing the operation, was the guilty party.

Company President Teruo Watanabe has accused the agency of not informing him it is illegal for Japanese boats to cooperate with North Korea on fishing ventures.

Watanabe said he telephoned the agency many times to ask whether such cooperation was legal, but said it did not give him a clear answer. Japan has no diplomatic relations with North Korea.

PRC Proposes Supplying 'High-Quality Workers'

OW1703060191 Tokyo KYODO in English 0518 GMT 17 Mar 91

[Text] Tokyo, March 17 (KYODO)—The Chinese Government has proposed to supply Japan with "high quality" workers, a leading Japanese economic daily reported Sunday.

China plans to send trainees to Japan and set up job training and Japanese language centers in China as part of a system to send workers to Japan under the Beijing government's supervision, the NIHON KEIZAI SHIMBUN reported, quoting Japanese Foreign Ministry sources.

Beijing promised it would ensure that the workers return to China at the end of their assignments.

China made the proposal in a meeting Thursday in Tokyo, the newspaper said.

China said it could dispatch employees ranging from unskilled workers to technicians and engineers, the report said, adding that the Japanese Government will study the proposal "positively."

The Chinese Government will send a fact-finding mission to Japan in early April, it said.

China drew up the plan based on a proposal made by former Deputy Prime Minister Shin Kanemaru when he visited China last August.

Kanemaru proposed that China send young people to Japan to acquire technical skills. Chinese Premier Li Peng ordered that a program be drawn up in response to the proposal, the newspaper said.

While Japan officially bans unskilled foreign workers, at least 100,000 foreigners, mostly Asians, illegally fill jobs in the labor- short country, Justice Ministry officials estimate.

The NIHON KEIZAI said China fears an increase in the number of Chinese working in Japan illegally would hurt relations with Japan.

Beijing is also eager to send workers to Japan to help make up for the loss of remittances from Chinese who had been working in the Middle East but returned home as a result of the Persian Gulf war.

Shutdown Ordered for Reactor at Takahama Plant

OW2003144791 Tokyo KYODO in English 1222 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—The government ordered Kansai Electric Power Co. Wednesday to shut down No. 2 Reactor at its Takahama plant pending inspection of faulty installation of a device linked to an accident at another facility operated by the company, officials said.

The officials said the order was issued by the Ministry of International Trade and Industry [MITI] to check a slender antivibration bar (AVB) designed to reduce vibrations in tiny pipes attached to the steam generator (SG) of the 826,000 kilowatt boiling water-type reactor.

The officials said tests by an electric inspection device confirmed the antivibration bar was not installed correctly.

Kansai Electric Power Co. said the reactor in Takahama town, Fukui Prefecture, will be shut down by midnight Wednesday to correct the faulty installation.

Mitsubishi Heavy Industries Ltd., main contractor of the reactor, said it also will take measures, if necessary, to correct the installation in accordance with the design.

The company said it is reexamining data on nine other reactors of similar type currently in operation in order to confirm the location of the antivibration bar in the steam generator pipes.

The reactor is the second facility operated by Kansai Electric Power Co. to be shut down for a similar reason.

On February 9, a reactor at the company's Mihama plant also in Fukui Prefecture, one of pipes that should have been held in place by the bar broke, allowing 55 tons of radioactive water to leak from the primary cooling system that powers the plant's turbine.

The MITI officials said the initial test showed the bar is shorter in length than required and its V-shape bottom was being rocked in the steam carrying pipe.

The Takahama No. 2 Reactor, built by Mitsubishi Heavy Industries, began operation in 1975.

The reactor has three steam generators with a total of 10,164 tiny pipes.

A regular inspection in February this year found damage to 598 pipes, the officials said.

The natural resources and energy agency said defects were found in a total of 10 bars at the Takahama No. 2 Reactor.

The agency said the reactor developed radioactive leaks twice in 1985 and 1988 because of cracks in the steam generator pipes.

Kyushu Electric Power Co. said no faulty installation of the bars were found in inspection of four nuclear power plants operated by the company.

The MITI instructed the electric power industry to step up efforts for stable electricity supply during the summer when demand reaches its peak.

The two reactors are expected to remain shut down during the peak period, requiring the ministry to reexamine its electricity supply program for the summer.

The Federation of Electric Power Companies expressed extreme regret over the accident at the Takahama plant and said it will make the utmost effort to ensure safe operations of atomic power plants.

Tokyo Gubernatorial Race Examined

OW2103104291 Tokyo KYODO in English 0930 GMT 21 Mar 91

[By Ian McArthur]

[Text] Tokyo, March 21 KYODO—The governing Liberal Democratic Party (LDP) would desperately like former TV anchorman Hisanori Isomura to win the April 7 Tokyo gubernatorial election, but perhaps no one in the LDP wishes it more so than Ichiro Ozawa, the party's secretary general.

Ozawa was instrumental in persuading his party at national headquarters level to drop Shunichi Suzuki, the incumbent governor, and put up Isomura as a joint candidate of the LDP, Komeito, and the Democratic Socialist Party (DSP).

The LDP's opponents say the LDP needs to pay off Komeito and the DSP for their support in the opposition-dominated house of councillors in passing a package of bills ensuring 9 billion dollars in aid to allied war efforts in the Persian Gulf.

The Tokyo gubernatorial election is thus becoming a test of popular acceptance of the LDP's policies.

Newspaper surveys and the opinions of election experts suggest that support for Suzuki is still high enough to return him to office, especially given some complicating factors in his opponent's camp. Isomura does not have undivided support from the LDP or the DSP.

The Tokyo chapters of both the LDP and DSP are supporting Suzuki, arguing there is no reason to abandon him since he is still as mentally and physically agile as ever and pointing to his track record of restoring tokyo's finances to good health after his predecessor, the late Ryokichi Minobe, had failed to do so.

Suzuki may garner a strong sympathy vote, election experts say. His supporters say voters in Tokyo resent the LDP's—and particularly Ozawa's—cavalier manner in dumping Suzuki.

Ozawa has put his reputation on the line in going out of his way to persuade the LDP to go with Isomura. He said publicly that the reason for the change was that after three four-year terms in office, the 80-year-old Suzuki was now too old and should graciously step down to make way for new blood.

If there appears to be a deeper reason for Ozawa's move, it probably lies in a desire to ensure easier diet passage in the future for government bills by securing the support of the two opposition parties backing Isomura, 61.

Ozawa may well lose some of his standing within the LDP should Isomura fail to win the governorship.

He is already hurting from other failed LDP policy measures coming at a time when his political fortunes were looking good.

He was responsible for engineering the unsuccessful LDP proposal for the U.N. peace cooperation bill which would have opened the way for the overseas dispatch of Self-Defense Forces personnel.

But other heavyweights in the LDP are already laying the way back into the open for Ozawa should Isomura lose.

Earlier this week, two major LDP faction leaders, Kiichi Miyazawa and Michio Watanabe, said the question of Ozawa's responsibility would be considered a local one not connected to national politics if Isomura loses.

Prime Minister and LDP President Toshiki Kaifu stood on the same truck as DSP Chairman Keigo Ouchi and Komeito Chairman Koshiro Ishida to mark the start of the official campaign Monday.

He told an audience their tripartite cooperation in getting the 9 billion dollars in additional aid to allied forces in the Gulf passed through the Diet would carry over into the gubernatorial campaign.

Isomura is promising to cut residents' taxes by 1 trillion yen within a first four-year term if elected and hints that this can be achieved with the cooperation of the Diet.

His campaign is also concentrating money and time in the western sector of Tokyo, a rapidly growing area where Isomura's supporters feel he can gain from resentment at the Suzuki administration's neglect of the transport infrastructure.

In the 12 inner metropolitan wards in Tokyo, the population has grown a mere 1 percent since the previous gubernatorial election. This compares with the Tama region in the west, for example, where the population has grown 9 percent in the same four-year period.

Isomura, coming from behind in the gubernatorial race, began his campaign displaying an apparent reluctance to criticize Suzuki too much. He was restrained and polite in his criticism, much as he always was during his NHK television interviews.

But from the start, Isomura's tutors have encouraged a more over- the-top campaign.

He is now more vocal in his broadsides at Suzuki over the incumbent's new administrative headquarters complex, now Japan's tallest structure.

After Isomura noted that the governor's office in the building is two to three times the size of the prime minister's official residence and even has a marble-lined bathroom, they arranged a photo opportunity for the press at a public bath house.

Photos appeared the next day showing him naked and scrubbing the back of an elderly man. The point was taken—a true man of the people does not need a marble bath.

But Isomura seemed a bit bemused by it all at a press conference the next day. "The Japanese like a bit of a show at election time," he said.

Suzuki's version of a media photo opportunity was to show that even if he cannot do a split-jump in mid-air, he can certainly do the splits every morning without much difficulty.

The big test comes April 7. Besides Suzuki and Isomura, 14 other candidates are running, among them academic Mitsunori Ohara, 64, backed by the largest opposition party, the Social Democratic Party (formerly the Japan Socialist Party), and another academic Shigeo Hatada, 67, who is backed by the Japanese Communist Party.

Eligible voters registered as of march 17 in Tokyo numbered 9.15 million.

Tokyo is an administrative area with the status of a prefecture, comprising 23 inner "ku" or wards and 26 "shi" or cities, as well as small villages on its western side and a string of islands off the coast.

Bank of Japan Source: U.S. Trade Data 'Neutral'

OW2003224891 Tokyo KYODO in English 1502 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—A Bank of Japan source said late Wednesday night that the widened U.S. trade deficit for January would have no effect on exchange rates.

"It's almost within the range of market expectations. It's a figure neutral to the currency markets," the source told a group of reporters covering the central bank.

As reported by the U.S. Commerce Department, the U.S. trade deficit widened to a seasonally adjusted 6.99 billion dollars in January from a revised 6.28 billion dollars in December.

According to the Commerce Department, exports rose 3.6 percent to 34.49 billion dollars, while imports went up 4.8 percent to 41.49 billion dollars.

Analyzing the export and import data, the source said there is nothing particularly surprising.

"The smooth growth in exports was due to a weaker dollar during that month, and the import figure showed a reaction to the large minus growth in the previous month," the source said. "Overall, the figures can be called generally stable."

The source did not elaborate.

A senior Finance Ministry official, commenting on a widening of the U.S. trade deficit with Japan, said the worsened trade balance does not mean that there was a change in the narrowing trend that has existed over the past seven months.

"Although that's the first increase in eight months, it's nearly flat. Given Japanese (trade) statistics, it's difficult to predict that the deficit will grow greatly," the official said on condition of anonymity.

According to the Commerce Department, the U.S. trade deficit with Japan widned to 3.46 billion dollars in January from 3.44 billion dollars in December.

Ministry To Start Foreign Construction Program

OW2003224691 Tokyo KYODO in English 1452 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—The Construction Ministry plans to launch a full-scale program in April for accepting foreign construction and civil engineering trainees, ministry officials said Wednesday.

The ministry plans to accept about 400 such foreign trainees in the initial year of the program, created in response to requests from construction associations in many prefectures of the country, which are suffering an acute labor shortage.

A center for civil engineering training, established in January, is a principal handling office for the ministry's program, the officials said.

The program limits the trainees only to those who will be sent by publicly-run organizations in foreign countries. The training will last for 18 months, according to the officials.

The entire training funds, including traveling expenses for trainees, will be financed by private Japanese corporations which will accept trainees at their plants and offices, they said.

The first group of 30 trainees under the program is scheduled to arrive in Tokyo from Beijing in mid-April.

The second group of 30 from Wuhu City in the Chinese Province of Anhui will come to Japan in July to receive training in Kochi Prefecture in western Japan, the officials said. The cities of Kochi and Wuhu have a sister-city affiliation.

Although Shizuoka Prefecture previously accepted trainees from the Chinese Province of Zhejiang in 1986, these will be the first groups of foreign trainees to be received under the full-scale official training program on a national level.

However, some people are critical of such a program, contending that the trainees could be used to virtually meet the severe labor shortage in the construction industry. They say that the distinction between "trainees" and "workers" would be blurred.

According to the newly created Japanese Center, 300 companies in 34 related industry organizations have said they are ready to accept about 2,000 foreign trainees. The center is asking Southeast Asian and other countries to establish governmental organs for sending trainees to Japan, center officials said.

Increased Foreign Worker Employment Proposed

OW2003092191 Tokyo KYODO in English 0617 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—A group of industry and labor leaders proposed Wednesday that Japan promote employment of foreign workers to avoid the intensification of worldwide criticism over its closed labor market.

The proposal was set forth by a consultative panel of industrial and labor leaders, chaired by Jiro Enjoji, adviser to the leading economic journal NIHON KEIZAI SHIMBUN.

Some industry representatives urged Japanese enterprises to hire workers from overseas for a certain period to help promote employment of foreign workers in Japan.

Labor representatives said Japan should promote employment of foreign workers to avoid aggravating the worldwide sentiment against Japan over its exclusive posture, and not only from the viewpoint of filling the labor shortage.

They said 500,000 foreign workers are currently employed in Japan, compared with the government estimate of over 100,000.

The industry representatives urged the government to accept more foreign trainees in Japan as part of its Official Development Assistance (ODA) programs.

Meanwhile, the Labor Ministry called an expert panel into session Wednesday to formulate guidelines for reduction of working hours, ministry officials said.

The ministry plans to slash about 20 percent of Japan's average overtime hours per worker, which now stand at some 450 hours a year, they said.

The ministry wants the proposed guidelines to set a ceiling for overtime hours to be included in management-labor agreements.

The guidelines will set weekly, monthly, and periodical ceilings for overtime work, the officials said.

The ministry is concerned that overtime hours increased 24 hours per year per worker over the last five years, despite a decrease in regular working hours, the officials said.

The goal set by the ministry is 1,800 work hours a year per employee.

Major Steelmakers To Post Decreased Earnings

OW1503132391 Tokyo KYODO in English 0939 GMT 15 Mar 91

[Text] Tokyo, March 15 KYODO—Japan's five major steel producers reported Friday they expect to suffer a substantial decrease in their pretax profits in fiscal 1990, ending March 31, because of the yen's appreciation and higher oil prices.

The companies, including Nippon Steel Corp., said their combined pretax profits will be down 22.0 percent from a year ago at 421 billion yen, the first annual fall since 1987.

Four of the five firms, except for Kobe Steel Corp., whose aluminum division fared well, will post profit decreases between 20 and 39 percent.

The five companies said their combined sales for the current year totaled 7.55 trillion yen, up 3.4 percent over a year before.

The companies predicted profit decreases in the next fiscal year in view of a 7.0 percent rise in iron ore prices and higher costs for transportation and construction of production facilities.

Estimated sales and pretax profits by the five steelmakers in the year to March 31 (in billions of yen with annual percentage comparison in brackets) are as follows:

	sales	pretax profits
Nippon Steel	2,600 (1.0)	160 (-20.9)
Kobe Steel	1,320 (8.0)	56 —
NKK	1,310 (2.5)	50 (-39.0)
Kawasaki Steel	1,170 (5.2)	80 (-21.5)
Sumitomo Metal Ind.	1,150 (2.7)	70 (-21.5)

Electronics Production Increases in 1990

OW2003144991 Tokyo KYODO in English 1259 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—Production of electronics products in Japan grew 5.7 percent in 1990 from a year earlier, buoyed by brisk personal consumption and business investment, the Electronic Industries Association of Japan said Wednesday.

According to the association, Japanese companies turned out electronics products valued at 23,920.4 billion yen last year.

Production of television sets and videocassette recorders posted a 5.8 percent gain due to strong demand from the European Community and Southeast Asia, despite slack demand at home and from the United States.

Domestic sales of TV's and VCR's fell 5.8 percent, while exports to the United States dipped 2.3 percent.

Production of goods for industrial use rose 5.0 percent thanks to strong growth in telecommunications equipment such as cordless phones and car telephones.

Production of computers increased only 2.7 percent because of slow demand for new general-purpose mainframe computers.

Government Plans Lunar Satellite Launch in 1995

OW2003121191 Tokyo KYODO in English 1051 GMT 20 Mar 91

[Text] Tokyo, March 20 KYODO—A government panel on space development policy on Wednesday decided to launch Japan's first lunar observation satellite in fiscal 1995 using the next generation space rocket to be launched in fiscal 1994, officials said.

The panel, chaired by Science and Technology Agency Director General Akiko Santo, mapped out the research and development program for fiscal 1991 beginning April 1, which targets launching of the "Lunar-A" satellite to survey the moon, the country's first such space attempt.

The satellite is to be carried on Japan's next generation large- scale rocket "M-5," under development by the Education Ministry's Institute of Space and Astronautical Science, which is to be first launched in the fiscal year of 1994.

The satellite will carry an earthquake measuring machine and three "penetrators" to be put into the moon surface to inspect the soil to help investigate the origin of the moon, officials said.

The government will implement the space policies in line with the panel's proposals.

The space development plan also says that in fiscal 1991 Japanese and American researchers will start the development of rain radar to be put on a satellite to monitor rainfall in the earth's tropical region. The satellite, called "TRMM," will be a Japan-U.S. joint product and be launched around fiscal 1995 on Japan's "H-2" rocket now being developed by the National Space Development Agency of Japan (NASDA).

The space panel's plan also eyes the launching of a satellite to monitor the sun's X-rays and a broadcast satellite in August- September of this year and another satellite to detect the earth's natural resources in January-February 1992.

Fujitsu Unveils Two New HEMT Devices

OW1903144591 Tokyo KYODO in English 1239 GMT 19 Mar 91

[Text] Tokyo, March 19 KYODO—Fujitsu Ltd. said Tuesday it has begun promoting two new high-performance high-electron mobile transistors (HEMTS) that can be used in satellite receivers for high-quality reception with small antennas.

The HEMT devices will enable satellite receiver manufacturers to build satellite dishes about 30 centimeters in diameter, compared with the current 45 centimeter diameter parabola dishes sold on the market, company officials said.

The two new products, FHX15FA/LG super HEMT and model FHX 16FA/LG, will also reduce noise levels, or interference in the satellite broadcast signal, and produce a higher gain, or boost, in the transmission to provide compact disk sound quality and high- quality images.

The two HEMT devices will have a sample price of about 2,500 yen, the officials said. The company will produce initially 50,000 units per month, with expansion to 500,000 units a month by the end of 1991, they added.

Fujitsu currently holds about 70 percent of world market share in HEMTS, officials said.

Businessman Opposes Early Discount Rate Cut

OW2003145191 Tokyo KYODO in English 1251 GMT 20 Mar 91

[Text] Tokyo, March 20 Kyodo—The new president-designate of one of Japan's four major business groups said Wednesday that the Bank of Japan should not be quick to cut its official discount rate despite growing calls from some government officials and businessmen.

"A rate cut would bring a weaker yen, and would be reflected in prices as a result. It's thoughtless to carry out a rate reduction now (that the yen has been weaknening against the dollar)," said Masaru Hayami.

Hayami, provisionally elected president of the Japan Association of Corporate Executives, known as Keizaidoyu-kai, and a former board member of the central bank, made the remarks in an interview with KYODO NEWS SERVICE.

Hayami will formally take the presidency in late April, replacing Takashi Ishihara.

On other topics, Hayami, a 65-year-old chairman of Nissho Iwai Corp., a major Japanese trading house, urged the Japanese Government not to miss a chance to bring the Uruguay Round of multilateral trade talks to a successful conclusion by sticking to its ban on rice imports.

"I suppose that the United States and the European Community will iron out their differences (over agriculture subsidies) by the end of this year. Japan, for its part, should not miss the timing," he said.

How to reduce farm subsidies has been a major stumbling block in the Uruguay Round of 108-nation trade talks being held under the General Agreement on Tariffs and Trade. The trade negotiations are aimed at drafting new rules on free trade in agriculture and 14 other sectors.

Asked for comments on Soviet President Mikhail Gorbachev's visit to Japan slated for mid-April, Hayami said Japanese companies cannot invest in the Soviet Union without a peace and trade treaty and low- interest financing by the Export-Import Bank of Japan.

Because of a territorial dispute over four islands off Japan's northern main island of Hokkaido, Japan and the Soviet Union have yet to conclude a peace and trade treaty.

On the teritorrial dispute, Hayami said it might be settled through a two-phase formula with two of the four islands being returned to Japan first as suggested in a recent report by the independent INTERFAX NEWS AGENCY. But he did not elaborate.

Asked to comment on how Keizaidoyu-kai will be steered, Hayami said that he plans to set up task forces on standards of living and relations between coorporations and individuals so that it can make proposals for improving the living standards of working people.

On Japan-U.S. relations, Hayami said Japan should not be satisfied with only being a country that cooperates by offering money and technologies, and stressed that political circles and the business community must act so they can be appreciated by the United States.

Mongolia

Party Chairman Pledges To Pursue Reform

OW1803121791 Tokyo KYODO in English 1150 GMT 18 Mar 91

[Text] Ulaanbaatar, March 18 KYODO—The chairman of the Mongolia's ruling People's Revolutionary Party (Communist Party) on Monday pledged that his country will pursue political and economic reforms despite a current economic crisis.

In an interview with KYODO NEWS SERVICE, Budragchaagiyn Dash- Yondon said, "There will be no change in the Mongolia's policy of democratizing its political system and introducing the market economy although its economy [is] in crisis."

Mongolia, a vast country of steppes and mountain forests landlocked between the Soviet Union and China, is in the process of transforming its centralized economy into a market-oriented one.

The country is facing serious economic problems because of rapidly declining financial and material support from its ideological "elder brother," the Soviet Union, after sweeping political changes in both nations.

Factories of the country's key industries such as cement and carpet were forced to be shut down and the government started rationing daily necessities, including foodstuffs.

Dash-Yondon, whose party won Mongolia's first democratic elections last July, said his party will take steps to break from excessive economic dependence on the Soviet Union.

Dash-Yondon also revealed that the Communist Party has dropped its tenets of Marxism-Leninism from the party rules at its 20th congress held in late February.

The chairman vowed that the government will never use military force on opposition parties and dissidents.

KYODO NEWS SERVICE was given approval to set up its bureau in Ulaanbaatar on March 6, as the first Western news agency.

Party Chairman Meets With DPRK Ambassador

SK0803153691 Pyongyang KCNA in English 1500 GMT 8 Mar 91

[Text] Pyongyang March 8 (KCNA)—Budragchaagiyn Dash-Yondon, chairman of the Central Committee of the Mongolian People's Revolutionary Party [MPRP], said that the MPRP would always extend solidarity with the efforts of the Workers' Party of Korea [WPK] for the reunification of Korea, when he met the DPRK ambassador to his country on March 4.

He stressed that the MPRP would make strenuous efforts to develop friendly relations with the WPK.

Minister on Trade Difficulties With USSR

OW2103103991 Ulaanbaatar MONTSAME in English 1716 GMT 20 Mar 91

[Text] Ulaanbaatar, 20 March (OANA-MONTSAME)—The newspaper "ARDYN ERH" publishes an interview with S. Bayarbaatar, minister of trade and industry of the MPR [Mongolian People's Republic]. The minister speaks about the difficulties in the present Mongol-Soviet trade relations. He stresses that inspite of the agreement on the intergovernment level from the very beginning of this year trade between the two countries is in standstill dependent on the attitude of the Soviet enterprises and foreign trade organizations. Soviet payments on supply to the Mongolian side [as received] reached 50 million U.S. dollars, but the Soviet Union still fails to supply Mongolia with spare parts, industrial raw materials, building materials and paper.

S. Bayarbaatar notes that C. Purebdorj, MPR vice-premier, during his recent visit to the Soviet Union has received a positive answer to the question on Soviet supplies, but things still remain unsolved although there are chances to supply goods according to the agreements even in case of an unavailability of financial resources.

An unopportuneness [as received] of the payments will worsen the economic conditions of our country, but we hope that trade between our countries suffers just a temporary standstill and not stopped, says the minister.

North Korea

Letters Broadcast to South Organizations 20 Mar

SK2003153791 Pyongyang KCNA in English 1511 GMT 20 Mar 91

[Text] Pyongyang March 20 (KCNA)—Yi Song-ho, acting chairman of the Central Committee [C.C.] of the Red Cross Society of the Democratic People's Republic of Korea, had requested that letters from the chairmen of the C.C., the General Federation of the Unions of Literature and Art of Korea, the C.C., the Trade Union of Korean Educational and Cultural Workers and the Secretary of the C.C., the Korean Democratic Women's Union [KDWU] be conveyed to the co-chairmen of the South Korean General Federation of National Artists, the chairman of the National Teachers Union and the chairmen of the South Korean Federation of Women's Organisations and the Korean National Council of Women. The South Korean authorities, however, refused this, leaving no alternative but to send these letters through radio today.

Paek In-chun, chairman of the C.C., the General Federation of Unions of Literature and Art of Korea, in his letter said that the men of culture and art in the North and the South should put together their will and strength and make an active contribution to dispelling the danger of nuclear war hanging over the head of the nation and turning the situation of the country back to the course of detente and peaceful reunification.

Proposing an early meeting with delegates of the General Federation of National Artists of South Korea involving progressive and conscientious writers and artists, the letter said: In our contact and dialogue, we may discuss measures to save the nation from the scourge of war, exchange views on the way of national reunification and discuss matters of uniform development of the national culture and art.

Choe Kum-sun, chairwoman of the Central Committee of the Trade Union of Korean Educational and Cultural Workers, in her letter to Yun Yong-kyu, chairman of the National Teachers' Union proposed to have contact and dialogue.

She said in the letter:

In the contact and dialogue, we may discuss the matter of sponsoring the "pan-national reunification meeting of educators" your organisation had once proposed and the issue of realising independent cooperation and exchange between educators of the North and the South for the democratic development of national education.

Secretary of the KDWU Central Committee Kang Chom-suk in her letter to chairwoman of the South Korean Federation of Women's Organisations Yi Hyo-chae and chairwoman of the Korean National Council of Women Pak Kum-sun proposed to have a contact, saying that the question of the release of woman student Yim Su-kyong and other patriotic women, democratic figures and reunification champions may be discussed at the meeting and dialogue.

The questions concerning the opening of a contest of local dishes between women in the North and the South or a handiwork exhibition which the Korean National Council of Women had already proposed to our side may also be discussed in our contact, said the letter.

The letters leave to the organisations of the South side the matters of the date and venue of the contact.

Reportage on Team Spirit Exercises Continues

South Han River Activity Noted

SK2103051691 Pyongyang KCNA in English 0433 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—The "Paekma" and "Pulmuri" units of the South Korean puppet army staged a surprise river-crossing operation simulating a war against the North on the South Han River at the dawn of March 19 under the cover of artillery fire and flying corps, according to a radio report from Seoul.

Synchronising with this, the "Maengho" unit of the puppet army staged a drill for the additional supply of ammunitions and "occupied" the standby point for attack in the rear of the South Han River before entering into a "mobile offensive operation" for a march toward the North.

That day, the U.S. imperialists and the military fascist clique staged an emergency landing and taking-off exercises of nuclear-capable F-16, F-15 and other planes on the Yongju-Punggi highway of North Kyongsang Province for the sortie of fighter-bombers and the emergency transport of troops and supplies.

ROK'S President No Inspects Unit

SK2103122091 Pyongyang KCNA in English
1011 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—No Tae-u Wednesday "inspected" a unit of the puppet army mobilized in the criminal "Team Spirit 91" joint military exercises, inciting northward invasion, according to a radio report from Seoul.

He sounded like a pro-American flunkeyist traitor when he blared that the "Team Spirit" exercises "prove the firm will of South Korea-U.S. security cooperation".

He whipped up war hysterics against the North at the puppet army unit at a time when the joint military manoeuvres had entered the stage of general offensive, bringing dark clouds of a nuclear war over the Korean peninsula. This ill-boding act shows that the puppet authorities are seeking a way out of the crisis of their rule in the provocation of a war against the North.

'Hysterical' Exercises Viewed

SK2103113591 Pyongyang KCNA in English
1025 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—NODONG SINMUN today denounces the hysterical aerial exercises of the U.S. imperialists in South Korea for aggression on the North, warning that if they unleash a war in Korea despite our repeated warnings, they will suffer a serious defeat incomparable with that in the last Korean war.

The paper says in a signed article.

The U.S. imperialists attach great importance to the air-strike operation in a surprise attack on the northern half of Korea. This is mainly explained by the fact that a new military doctrine was introduced into the aggressive operations of the U.S. forces.

In recent years, the U.S. military bosses have cried for the application of the so-called "principle of air-ground warfare" in operations and scheme to introduce into Korea the attack tactics they have applied in the invasion of Panama and the Gulf war.

Suffice it to note that the U.S. imperialists are talking about "three-day war plan," "five-day operation plan" and "short-term severe strike operation" in order to conclude the invasion of the DPRK in the shortest possible time.

They give priority to the aerial operation in a war against the North also because of the geographical features of Korea. They have already completed an aerial operation plan for a fierce strike at the northern half of Korea in "case of emergency," claiming that they must rely mainly on the airforce with high maneouvrability and efficiency of strike under the topographic conditions of Korea with many mountains and rivers. Their unprecedented frantic aerial war exercises these days show that this adventurous plan has reached the full-fledged stage.

What draws attention in their air-strike exercises is that their scale and the scope of the targets of operation are expanding.

What is particularly serious is that they scheme to mount a nuclear forestalling attack from the sky on the northern half of Korea.

Pinning great hope on nuclear attack operations in a war in Korea, they are feverishly staging preliminary nuclear attack operations including nuclear bombing, nuclear missile launching exercise and airlifting of special nuclear units into the depth of the northern half of Korea with the mobilization of numerous means of nuclear attack.

SKNDF Issues 'Fighting Slogans' on Elections

SK2003123791 Pyongyang Domestic Service
in Korean 2100 GMT 18 Mar 91

[Text] According to Voice of National Salvation radio, the Central Committee of the South Korean National Democratic Front [SKNDF] made public immediate fighting slogans for the local assembly elections in South Korea.

The SKNDF Central Committee made this public statement:

Today, prompted by the local assembly elections, the South Korean situation is rushing toward a stage of more acute confrontation between democratic and fascist forces.

The No Tae-u regime, driven into the worst crisis in its rule because of its unprecedented repressive rule, corruption, and irregularities, is perpetrating the 16 March basic assembly elections by surprise after unilaterally reversing the agreement between ruling and opposition parties in an attempt to reverse its eminent collapse.

In its scheme to hold divided elections earlier, the No Tae-u ruling group has the sinister intention of veiling its responsibility for the Suso housing scandal, which is exceptionally large, and which has evoked the people's indignation and resentment, to dispel the antigovernment, anti-Democratic Liberal Party [DLP] spirit of people from various levels by the election blitz. Furthermore, it is creating an illusion about democratization. Thus, it is trying to lay foundations for a long term in office.

The No Tae-u group, which is leading the entire nation to the election stage, is unscrupulous in its method of achieving its sinister intention.

The No Tae-u group completely blocked the freedom of press, freedom of publication, freedom of assembly, and freedom of demonstrations while advocating orderly elections. It mobilized repressive forces on a large scale in oppressing and erasing democratic reunification forces. While loudly talking about clean, fair elections, the No Tae-u group is running amok with a unilateral appeasement offensive and black propaganda.

Today this land is being dragged into a whirlwind of the No Tae-u group's unilateral elections through government power, and the path to democratic development, which the people desire, is being completely blocked. Thus, this land faces a dangerous situation in which the DLP dictatorship may take root forever.

Today our masses are standing at a turning point. Either we open the road for permanent rule by the pro-U.S. military dictatorship by leaving the local government system, which we obtained through a bloody struggle, and being infringed upon by the DLP, or we put an end to the tyranny of the antidemocratic corrupt regime.

Today's grave reality demands that the masses from all social strata resolutely rise in the struggle to open a new horizon for democracy and human rights by renewing their courage instead of merely remaining onlookers.

The masses from all social strata, who oppose fascism and want to live under democracy, and each political party, each faction, and figures from all strata, should combine their will for democratization. They should turn the election stage into a fierce anti-No Tae-u and anti-DLP struggle. They should end the colonial fascist, rule and establish an independent democratic regime.

In order to smash the plot of the United States and the No Tae-u and DLP regime for extension of military dictatorship, and to open a new aspect for democratization in compliance with the urgent demand of the time and aspirations of the masses, the SKNDF Central Committee makes public its immediate fighting slogans.

1. Let us smash the plots of the DLP to monopolize local assemblies and intensify the anti-No Tae-u and anti-DLP struggle!
a. Let us overthrow the No Tae-u regime, which is attempting to veil the Suso scandal by holding divided elections earlier and to lay foundations for a long term of office!
b. Let us crush the scheme of No Tae-u's DLP to monopolize local assemblies with pro-ruling party forces!
c. Let us smash the dictatorship of the DLP, which is attempting to monopolize the election stage by blocking election campaigns by democratic forces!
d. The No Tae-u regime should not misuse the administration organizations for corrupt and fraudulent elections!
e. We cannot barter the local government system, which we obtained through bloody struggle, for money. Let us not be ridiculed by the DLP's appeasement offensive!
f. Let us not allow the local assembly elections to become elections by money and government power! Let us reject the DLP's corrupt and fraudulent elections!
g. Let us make the site of local elections the court of No Tae-u and the DLP!
h. Let us elect democratic figures by driving out pro-ruling party candidates whose hands are stained with fascism!
i. It is impossible to hold fair elections on the fascism-ridden land. Let us liquidate the military dictatorship!
j. The large-scale operation for oppressing people is suffocating the local assembly elections. The fascist oppression should be brought to an end!
k. Fair elections cannot be held with reunification democratic figures having been imprisoned. Release all political prisoners!
l. All the fascist laws and fascist repressive tools which strangle democracy and civil rights should be abolished!
m. The DLP, a dotage of the Fifth Republic, should be dissolved!

n. Let us end the military rule through a second June resistance struggle and realize genuine democracy!

2. Let us probe the Suso scandal and liquidate corrupt politics!
a. The Suso scandal should not be veiled by local assembly elections!
b. We should not be deceived again by the false political signboard of clean elections! Let us probe irregularities of the Sixth Republic!
c. The announcement of the prosecutor's investigation is a mockery of the people. Investigate the Suso scandal all over again!
d. No Tae-u should immediately resign by bearing the responsibility for the Suso scandal!
e. No Tae-u is the chief culprit of the Suso scandal. Let us punish No Tae-u, chieftain of corruption and irregularities!
f. Let us destroy Chongwadae and the DLP, the headquarters of the Sixth Republic's irregularities!
g. Let us thoroughly probe the Suso scandal by forming a pannational organization for investigation of the truth!
h. Let us liquidate corrupt politics by punishing the chief culprit of the Suso scandal!
i. Let us build a genuine democratic society by eliminating corrupt government, corrupt parties, and corrupt politics!

3. Let us reject domination and interference by the United States!
a. The behind-the-scenes manipulator of the early divided local assembly elections is the United States. Let us smash the U.S. plot for permanent domination by using a corrupt regime!
b. The United States should stop its domination and interference in South Korea!
c. Let us expel Yankees who encourage a long term of office for No Tae-u's DLP!
d. Let us reject the United States' method of colonial rule, such as fostering splits within the opposition camp and regional confrontation!
e. The U.S. troops, which block independence, democracy, and reunification, should withdraw from South Korea!
f. The anti-U.S. cause is patriotism. Let us achieve independence and democracy in South Korea by

upholding the banner of anti-U.S. patriotic struggle and achieve the national reunification!

4. Let us establish an independent, democratic regime in firm unity with all people!
a. Let us crush the pro-U.S. conservative alliance by realizing the great collaboration of democratic forces and let us achieve a genuine local government system led by the masses!
b. If we unite ourselves, we will become the masters of the masses and if we are split, we will become the slaves. Let us firmly unite ourselves under the banner of independence, democracy, and reunification!
c. By demolishing the barriers of political views, religion, and the interests and strategy of political parties, let the anti-No Tae-u and anti-DLP forces unite as one!
d. Through fierce election struggle, let us expand various movements and organizations and display the might of unity with powerful solidarity movement!
e. Let us not forget the lesson of the 16 December elections. Let us overthrow the No regime by pulling our democratic will together!
f. Let us fight and win victory in unity as one instead of shedding blood after being broken up!
g. The masses from all strata, each political party, each faction, and figures from all social strata should organize an antifascist pannational alliance with single-hearted patriotism!
h. All democratic masses should unite themselves and establish an independent, democratic, united government!

15 March 1991, Seoul

Reporters Interview Two Defecting Fishermen

SK2103121191 Pyongyang KCNA in English
1041 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—Yi Son-pil and Kim Kwon-hui, both 25, who crossed an extension of the Military Demarcation Line on the sea to the northern half of Korea aboard the fishing boat "Sungyong" which belongs to Anhung Port in South Chungchong province, South Korea, on February 9, were interviewed by home and foreign reporters here today.

They are cousins and their hometown is Chijuk-ri, Tohwa sub-county, Kohung County, South Cholla Province, South Korea.

Conscripted into the puppet army together in October 1986 and demobilized, they lived in Seoul and then went to Anhung Port in South Chungchong Province to work respectively as crewmen of "Sungyong" and "Kumdok" before coming over to the North.

Referring to the motive of their defection, they said they could not and did not want to live in the South Korean society, a society for the privileged clan with money and power. We wanted to make ourselves at home, leading a life worthy of man, if only a single day, under the people-first government of respected President Kim Il-song whom all our seventy million fellow countrymen sincerely look up to, they stressed, adding: Coming over to the North in search of a new life was the only way of resistance to the ruling system of the South where the poor like us are slighted and maltreated, we thought.

As regards the living conditions of South Korean fishermen Kim Kwon-hui said: They engage themselves in laver culture in winter and in fishing in summer, exposed to sea wind all the year round.

For all their backbreaking toil, however, they are far from getting better off, saddled with an increasing amount of debts.

Fishermen toil and moil, but their income is negligible with all deductions from their pay, said Yi Son-pil.

Telling about their knowledge of the reality in the northern half of Korea, they said:

While listening to Radio Pyongyang, we came to know that in the North all the people, miners, rural and fishing village dwellers and government officials, enjoy equality and they live in harmony, all of them rallied behind President Kim Il-song and the dear leader Mr. Kim Chong-il.

In this course we clearly realized that the North is assuredly the genuine homeland of our nation pulsating with the spirit of national independence and a welfare society whose masters are the working masses.

Yi Son-pil and Kim Kwon-hui exposed the anti-popular moves of the No Tae-u ruling group.

Noting that No Tae-u declared a "war against crimes," vowing to round up gangsters, they said this cannot be construed otherwise than a move merely to suppress the students and patriotic figures fighting for democracy and reunification.

Describing the successive elections in South Korea as fraudulent, they predicted that the "Democratic Liberal Party" group might make desperate efforts to seize as many seats as possible through fraud and swindle in the upcoming local assembly elections, too.

Touching upon the living conditions of South Korean young people, they said: The young people in South Korea believe that the country will surely be reunified by the great President Kim Il song and dear Mr. Kim Chong-il, waiting on tiptoe for the day when the country will be reunified at an early date so that they may live in comfort under their administration.

Kim Il-song Sends Greetings to Iranian President

SK2103114791 Pyongyang KCNA in English
1050 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Iranian President Akbar Hashemi-Rafsanjani on the Islamic New Year in Iran.

In the message he wishes the Iranian president and people greater success in the efforts for the independent development and prosperity of the country in the new year.

Choe Yong-nim Sees Off Angolan Visitors

SK1503235491 Pyongyang KCNA in English 1043 GMT 14 Mar 91

[Text] Pyongyang March 15 (KCNA)—The party and government delegation of the People's Republic of Angola headed by Juliao Mateus Paulo, member and executive secretary of the Political Bureau of the MPLA-Workers' Party Central Committee [C.C.], left for home today after paying a goodwill visit to Korea at the invitation of the Central Committee of the Workers' Party of Korea [WPK] and the Government of the Democratic People's Republic of Korea.

It was seen off at the airport by Choe Yong-nim, alternate member of the Political Bureau of the C.C, WPK and vice-premier of the Administration Council, Kim Chae-pong, vice director of a department of the C.C., WPK, Kim Kwang-chin, vice-minister of People's Armed Forces, Kim Yong-yong, vice-minister of foreign affairs, and other officials concerned.

Pyongyang To Host International Art Festival

SK2003122291 Pyongyang KCNA in English 1025 GMT 20 Mar 91

[Text] Pyongyang March 20 (KCNA)—The 9th April Spring Friendship Art Festival will be held in Pyongyang, the capital of the Democratic People's Republic of Korea, on the threshold of April 15.

The festival will be participated in by some 3,000 artistes of more than 100 art troupes consisting of noted actors and actresses including international concours prize winners from some 60 countries of the five continents and international organizations and Koreans overseas and Korean artistes.

Colourful numbers including music, dance, instrumental music and acrobatic numbers will be put on the stages of the festival which will be held simultaneously at different theatres.

The festival will help toward further strengthening and developing friendship and unity, cultural exchange and ties among literary men and artistes of many countries in accordance with the noble idea of independence, peace and friendship.

Discharged Soldiers 'Rushing' to Mine Work

SK2103115491 Pyongyang Domestic Service in Korean 1200 GMT 19 Mar 91

[Text] Reliable discharged soldiers who brilliantly completed their military service at honorable fatherland defense outposts are now rushing to mines, brimming over with the burning resolution to achieve shining exploits at socialist grand construction sites in hearty response to the party's call.

Central Broadcast reporter Yi Chin-sop, who has been dispatched to the Kaechon district mine complex, conducted an interview with assistant manager Comrade Yi Kyong-ok and Comrade Pang Pyong-ho, military officer of the Korean People's Army [KPA].

[Begin recording] [Yi Chin-sop] Now, discharged soldiers who brilliantly completed military service at fatherland defense outposts are rushing to mines in South Pyongyang Province in hearty response to the party's call. Could you tell me the number of the discharged soldier comrades who have come to the Kaechon district mine complex?

[Yi Kyong-ok] Yes. Discharged soldiers began to arrive at our Kaechon district mine complex on 15 March. In three days we have received 634 discharged soldiers. We think that more discharged soldiers will come within a few days.

Indeed, even when the U.S. imperialists and the South Korean puppets conduct the Team Spirit war exercise, and accordingly when a war may break out at any time, our party discharges many soldiers to send them to socialist construction sites. Such (?great) work can only be done by our party, which has made every effort toward (?durable) peace and peaceful reunification of the country.

The resolution and fighting spirit of the discharged soldier comrades who arrived at our Kaechon mine complex this time is very high.

The discharged soldier comrades, who came from the KPA unit of Comrade Kim Song-chin, map out a concrete (?plan) and unanimously rise up to exploit coal production under the shock brigade's slogan [words indistinct].

In addition, with the slogan "Single-hearted unity" created at their units, some comrades rushed to our mine complex.

Hardly had other comrades got off the train when they held a faithful resolution rally in front of the stone monument marking the great leader's on-the-spot guidance. They are all resolved to be innovators. The resolution and fighting spirit of discharged soldiers comrades is really very high.

[Yi Chon-sop] Yes. Your remarks really convinced me of the resolution and fighting spirit of the discharged soldier comrades. I think that the discharged soldier comrades achieved many exploits during the period of their military service. Comrade Pang Pyong-ho, could you tell me about this in brief?

[Pang Pyong-ho] Yes. The discharged soldiers who came here firmly defended the outposts of the fatherland, firmly held in the past the weapons of the revolution and the class.

In addition, they are reliable revolutionary fighters of our party who achieved exploits in highway construction linking Pyongyang with Kaesong and Kichang, and in laying railway track in a northern district.

Today, after completing their military service, they rush to the Keason mine complex resolved to achieve exploits in coal production once again.

I am convinced that the discharged soldiers will surely be creators and heroes who achieve exploits in coal production as they achieved exploits for our party and our leader during their military services. [end recording]

Travel to Various Coal Mines

SK2103120491 Pyongyang Domestic Service in Korean 2200 GMT 20 Mar 91

[Text] The discharged soldiers who guarded the posts to defend the fatherland are going to various coal mines.

Over the past few days, many discharged soldiers went to various coal mines including the Anju district mining complex, the Sunchon district mining complex, and the Kujang district mining complex.

Included among them are the frontline posts of the Height 1211 and Mt. Taedok; the soldiers of the People's Army who defended the skies of the fatherland; and the marines of the People's Army who firmly defended the country's honor.

Even though their hometowns, posts, ideas, and ambitions are different, their beautiful deeds of contributing to the call of the party in the heyday of their youth to carry out difficult tasks is a true feature which can be found only in our country where the leader, party, and the masses are a single unit. This also shows the lofty ideological and spiritual aspect of the youths of our era, who are endlessly loyal to the party and the leader.

At the subunit of the People's Army which sent about 50 discharged soldiers to the 8 February Chiktong youth coal mine, a member of that coal mine made a flag of the Republic and a red banner embroidered with the slogan which said that they will be loyal to the party and the leader, and at the subunit of the People's Army which sent several discharged soldiers including Min Pyong-sik to the Sinchang coal mine provided public information regarding the work that they must carry out so that labor exploits can be displayed from the first day they go to the coal mines.

At various coal mines the discharged soldiers who came with the sheer desire to be loyal to the party and the leader by defending the coal front, were welcomed enthusiastically.

Responsible functionaries of the local, party, governing organ, administrative and economic organs, and mass organizations, warmly welcomed the discharged soldiers on-the-spot along with the many workers.

The soldiers of the past including the soldiers of the past of the Chonsong youth coal mine, which today has been changed into a coal production base with the capability of producing several million tons of coal through the efforts of the discharged soldiers and youths 30 years ago, and the platoon of the battalion of Kang Tung-cha of the Yongdung coal mine where the soldiers there asked the whereabouts of the discharged soldiers, and where the soldiers lived and worked under the unchanging position of a soldier, warmly welcomed the discharged soldiers who were for the first time going to the coal mines, and firmly decided to unite their strength so that the nation's coal front can be always defended firmly.

Many people including Kim Ki-sun, managing chairman of the Pyongsong general service facility station, gave the discharged soldiers various support materials and expressed their expectation that the feats of the soldiers be continuously elucidated in the coal production.

Currently the discharged soldiers and youths who are going to various coal mines, are firing up their hearts with the single intention of magnificently repaying the highly successful coal production as anticipated by the party, fatherland, and people.

'More Than 10,000' Soldiers Sent

SK2103121091 Pyongyang KCNA in English 1031 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—A measure has been taken in Korea to send a large number of People's Army soldiers to sites of grand socialist construction from the defense line of the country.

More than 10,000 soldiers have proceeded to the leading domains of the national economy, leaving the frontline and posts, in recent 10 odd days.

The demobilized soldiers volunteered in groups to main coal mines including the Anju, Sunchon and Tokchon district coal mining complexes. They are fully resolved to effect a new upsurge in coal production by learning how to operate technical equipment in a short time.

The Workers' Party of Korea and the Government of the Democratic People's Republic of Korea have taken one measure after another to mobilize soldiers in peaceful construction, though the U.S. imperialists and the South Korean minorities are aggravating the situation of the Korean peninsula by staging such large-scale war exercises as the "Team Spirit" joint manoeuvres every year.

The supreme command of the Korean People's Army mobilized 150,000 soldiers to peaceful construction in 1986 in step with the nationwide onward movement for grand socialist construction.

And it unilaterally cut the Armed Forces by 100,000 men in 1987. They have built many monumental edifices at the sites of grand socialist construction.

The Songwon Dam and the 40 kilometre water tunnel of the Taechon power stations, the Pyonghang-Kaesong Highway, the Kumnung Tunnel, the Nungna Bridge, the

International House of Culture, the Sosan Hotel, the Sosan Football Stadium and other structures built in the capital city tell the feats of soldiers.

The construction of the nation's leading industrial establishments including the second-stage project of the Sunchon vinalon complex and the Sariwon potassic fertilizer complex and gigantic architectures in the capital city such as Tongil Street, the second-stage of Kwangbok Street, the three revolutions exhibition and tramway is progressing at fast speed by the efforts of soldier-builders.

Sunchon Coal Mining Complex Production Praised

SK0803153991 Pyongyang KCNA in English 1501 GMT 8 Mar 91

[Text] Pyongyang March 8 (KCNA)—Workers of the Sunchon district coal mining complex strive to hit earlier than scheduled this year's goal which is 128 percent above last year, the peak year.

The complex which is engaged in deep excavation has a hundred and scores of cutting faces, at each of which 4,000 to 8,000 tons of coal, 10,000 tons at maximum, can be excavated.

The complex founded in 1977 is the nation's largest anthracite producer.

The Sunchon area has coal deposits running close to 700 million tons.

Upwards of 320 million tons has so far been prospected for excavation.

The complex has 17 coal mines, industrial establishments and prospecting teams including the large-scale Sinchang coal mine, Chonsong youth coal mine, February 8 Chikdong youth coal mine and the concrete prop factory and the Sunchon coal mine machine plant.

In recent years the complex has pushed ahead with the work of increasing coal cutting and conveyance capacity and developing new mines while boosting daily production. In this course, the Hanryong coal mine with an annual production capacity of hundreds of thousands of tons was commissioned and the excavating and carriage equipment has been reinforced to markedly augment the coal production capacity.

The work of introducing large-sized and modernized mining equipment and carrying out comprehensive mechanisation of pit operation have reached a developed level.

The annual coal transport capacity of the belt-conveyor installed in the complex amounts to 8 million tons.

The walls of several dozen kilometres of pits have been concretized.

According to Pak Yun-kyo, chief engineer of the complex, the gross industrial output value grew nearly three times and the coal output 2.3 times last year as compared with 1977.

The coal there high in calorie and good in quality is popular at home and abroad.

Tanchon District Bureau of Mining Profiled

SK1803153891 Pyongyang KCNA in English 1513 GMT 18 Mar 91

[Text] Pyongyang March 18 (KCNA)—The Tanchon District General Bureau of Mining which holds a big share in the nation's mineral production is located in Tanchon, South Hamgyong Province, on the east coast of Korea.

The General Bureau produces nonferrous metal ores including lead and zinc and nonmetallic minerals including magnesite and apatite. It also massively produces magnesia clinker, zinc, borax and other varieties.

The General Bureau has under it the large-scale Komdok mining complex, the Taehung General Youth Mining Enterprise, the Sangnong, Yongyang and Tongam mines, the Tanchon magnesia factory, the Tanchon smeltery, the Tanchon mining machinery plant and the Tanchon reagent factory.

It has also several prospecting corps, mining and fireproof material research institutes and four factory colleges.

Nearly all the processes from the production, dressing and processing of ores to the production of fuel, equipment and materials for its management are operated by itself.

And the ore prospecting and scientific researches and the training of technical personnel are also done by itself.

The industrial establishments under the General Bureau have been reconstructed on an expansion basis on several occasions and their equipment replaced with large-sized, modern one, with the result that production has risen markedly.

Entering this year, the General Bureau is keeping production on a high level.

The January plan set far higher than last year's was carried out at 102 percent in terms of gross industrial output value and in February its output jumped 39.9 percent above the corresponding month last year.

Products from the General Bureau are exported to scores of countries.

The prospect of the mining enterprises under the General Bureau is quite bright for their rich deposits.

Coal Production Capacity Increases Reported

*SK2103105491 Pyongyang KCNA in English
1002 GMT 21 Mar 91*

[Text] Pyongyang March 21 (KCNA)—Coal production capacity has been increased by coal mines in South Pyongan Province which holds 60 percent of the nation's output of coal.

Three pits have been commissioned and 26 coal-cutting districts and 29 cutting faces created this year.

As a result, the province has boosted the daily output of coal 30 percent above the daily average at the end of last year.

At the Sunchon district coal mining complex pit No. 6 of the Songnam youth coal mine with a capacity of tens of thousands of tons and a small pit of the Hannyong coal mine have been commissioned and promising four new cutting districts and seven cutting faces created.

The Anju district coal mining complex has developed two cutting districts with an annual capacity of 650,000 tons and two cutting faces with a capacity of 300,000 tons.

A pit, seven cutting faces and a cutting district with a capacity of hundreds of thousands of tons have been created at the Tokchon district coal mining complex and four cutting districts and ten cutting faces at the Kaechon district coal mining complex.

Multipurpose Smokeless Coal Cutter Developed

*SK1503152291 Pyongyang KCNA in English
1509 GMT 15 Mar 91*

[Text] Pyongyang March 15 (KCNA)—A small multipurpose smokeless coal cutter has been developed in Korea.

Its efficiency is 3.5 times that of the old one.

The new cutter consists of the sledge-shaped main body, a flexible shaft which is linked with a motor device and the working part with the cutting head.

It can work freely under different conditions with the use of the long flexible shaft.

With the change of the cutting head, it can do such work as drilling and cutting.

This light coal cutter has been developed by the Three-Revolution team members dispatched to the Chonsong youth coal mine with the introduction of advanced technology.

Manufacture of Modern Mining Equipment Increases

*SK1903152691 Pyongyang KCNA in English
1503 GMT 19 Mar 91*

[Text] Pyongyang March 19 (KCNA)—The industrial establishments under the General Bureau of Mining Machine Industry are boosting the production of modern mining machines.

According to data available at the bureau, the production of loaders jumped 81 percent, winches 1 percent, ore crushers 70 percent, iron props 59 percent and coal cars 7 percent in the first half of March over the same period last year.

Highly efficient coal cutters are massively produced at the May 10 general factory and hydraulic stope supports at the East Pyongyang machine plant and the Pyongyang coal mining machine plant.

New tunnelling, coal-cutting and carrying equipment including small rock-drills, small loaders and electric loaders are being developed and produced in large quantities at different factories.

Chollima Steel Complex Plant Under Construction

*SK2003155191 Pyongyang KCNA in English
1503 GMT 20 Mar 91*

[Text] Pyongyang March 20 (KCNA)—The construction of October 9 general steel works of the Chollima steel complex, a leading iron and steel production base of Korea, is progressing at a fast speed.

The production capacity of the ongoing first-stage project of the works is bigger than the present production capacity of the complex.

Tremendous is the amount of the work to be done in the construction of the works. The first-stage project alone requires millions of cubic metres of earth removal, tens of thousands of cubic metres of concrete tamping and assembling of over 20,000 tons of steel structures and 13,000 tons of equipment.

The constructors pressed ahead with 10 odd projects including the construction of an electric furnace shop, a steel dust-absorption ground, a scrap iron processing shop, a raw material carriage system and a lime calciner, doing a lot of work in a short period.

Those in charge of the construction of the electric furnace shop with a floor space of 25,000 square metres have assembled nearly 4,000 tons of steel structures and carried out groundwork concrete tamping of 1,600 cubic metres for the installation of equipment.

The groundwork concrete pile driving for the construction of the lime calciner, the scrap iron processing shop and the steel dust-absorption ground has reached a 60 percent mark, which makes it possible to press ahead with the architectural projects on a full scale.

The railway roadbed project in an 8 kilometre section has been carried out at more than 50 percent and the roadbed of the compound took shape in the main.

With the acceleration of the housing construction for the employees of the works, houses for more than 400 families have been completed.

The builders plan to finish the first-stage project by the end of this year.

Cement Trading Company, Products Profiled

SK1103152791 Pyongyang KCNA in English 1515 GMT 11 Mar 91

[Text] Pyongyang March 11 (KCNA)—The Korea Building Materials Trading Company belongs to the Ministry of Building-Materials Industry of the Administration Council of the Democratic People's Republic of Korea.

The company founded in 1976 is chiefly engaged in the export of home-made cement, building stones, metal fittings, sanitary wares, sanitary articles, etc.

The export of cement accounts for more than 70 percent of the total trade volume of the company.

The number of its trade partners and trade volume are on an annual increase.

According to the company's director Sin Tong-pom, the number of its partners has increased by more than 30 countries and its turnover grew over 4 times in the past decade.

In the same period the export of cement has increased 5 times.

The credit and business of the company are reliably guaranteed by powerful cement production bases of the country such as the Sunchon, Sangwon and February 8 cement complexes.

Korea produces various kinds of cement such as portland cement, tampon cement and seawater-proof cement.

The world's famous cement of Kumgang brand won gold medals twice at international fairs.

The Korea Building Materials Trading Company is developing trade relations with all the countries which respect the sovereignty of the DPRK and are friendly with it on the principles of equality and reciprocity.

'Heavy-Duty' Train Car To Carry More Freight

SK1203155391 Pyongyang KCNA in English 1502 GMT 12 Mar 91

[Text] Pyongyang March 12 (KCNA)—The June 4 General Rolling Stock Works of Korea, a producer of heavy-duty wagons, manufactured a new-type 100-ton wagon.

This wagon, unlike the former 100-ton wagons, uses plate frames, minus beams such as cast-steel side frames. This reduces its weight nearly 25 percent and shortens its length.

The abrasion rate of wheels is very low.

The new wagon makes it possible to carry much more freight with shorter train formations. It is conducive to a faster introduction of heavy rails and more satisfactory easing of strains on railway transport.

Sowing of Rice on Cold Beds Described

SK2003155591 Pyongyang KCNA in English 1508 GMT 20 Mar 91

[Text] Pyongyang March 20 (KCNA)—Sowing of rice on cold beds is under way in rural communities of Korea.

The farmers had fully prepared materials for cold beds of rice seedlings with much efforts on farming preparations since the beginning of the year before starting the sowing when the right time came.

All efforts are concentrated on the sowing of rice on cold beds as required by the chuche method of farming in the west coast granaries including the Yoldusamcholli Plain in South Pyongan Province, the Chaeryong Namuri and Yonbaek Plains in South Hwanghae Province and the Ryongchon Plain in North Pyongan Province.

This year many farm villages have increased results while doing work easily by introducing cold bed-making machines which can raise work efficiency 20 times.

Rice is one of the major crops in Korea.

The farmers sow seeds on on cold beds and transplant the seedlings after nursing them for a certain period to reap a high and stable crop despite the influence of the cold front.

Kim Il-song Sends Gifts to Agricultural Workers

SK2103053991 Pyongyang KCNA in English 0439 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—The great leader President Kim Il-song sent gifts to the agricultural working people throughout the country who set an example in meat production.

Last year many farm households bred more than two or three pigs each and not a few families produced more than one ton of meat.

President Kim Il-song sent gifts to the agricultural working people whose families produced more than one ton of meat each and dedicated it to socialist construction sites and the People's Army.

A meeting to convey the gifts was held here Wednesday.

Trade Union Central Committee Holds Meeting

SK2103053091 Pyongyang KCNA in English 0444 GMT 21 Mar 91

[Text] Pyongyang March 21 (KCNA)—The 21st plenary meeting of the Central Committee of the General Federation of Trade Unions of Korea was held in Pyongyang on March 19 and 20.

The meeting discussed the question of powerfully conducting the model work-team movement for increased production and economies, etc.

The reporter and speakers called for intensifying political work and ideological education among the working people and union members so that they may take an active part in the model work-team movement for increased production and economies with the attitude of masters towards the nation's economic life.

They said that the movement should be turned into the work of the masses themselves and combined with the socialist emulation movement, the model machine movement and other mass movements.

They laid stress on vigorously pushing ahead with the model work-team movement for increased production and economies to effect new innovations in the socialist construction and bring the superiority and invincibility of the socialism of our own style to fuller play.

North's Socialism Style Called 'Most Superior'

SK2103094891 Pyongyang Domestic Service in Korean 0007 GMT 19 Mar 91

[NODONG SINMUN 19 March special article: "Having Deep Awareness of the Superiority of Our Style of Socialism Is an Important Requirement For Being Faithful to the Revolutionary Cause of Chuche"]

[Text] Our style of socialism is the most superior socialism. Our style of socialism is also the source of all life and happiness for our people. We should be clearly aware of how superior and precious our socialism is so that we can devote all of our wisdom and energies to the struggle to add luster to it.

The dear leader Comrade Kim Chong-il has indicated: We should deeply inculcate the inherent characteristics and superiority of our style of socialism among party members and the working people so that we can see to it that they staunchly fight to consummate the socialist cause to the end with firm faith in socialism.

Our socialism takes the immortal chuche idea as its guiding ideology. The success and experience achieved in the course of the struggle to embody the chuche idea are very precious. Only when we extensively master and are deeply aware of the superiority of our style of socialism can we not only more deeply keep engraved on our hearts the great national pride and dignity of living in the socialist fatherland of chuche, while carrying out the revolution, but also struggle to the end for the consummation of the revolutionary cause of chuche under the leadership of the party and the leader.

For our party members and working people, being deeply aware of the superiority of our style of socialism constitutes, above all, the task of more deeply keeping engraved on their hearts the great national pride and honor of being blessed with the great party and leader. That our socialism, as the superior and promising socialism, is radiating its brilliant rays is entirely because the respected and beloved leader Comrade Kim Il-song has built it and because our party has glorified it.

The history of the building of our style of socialism is precisely the glorious history embroidered with the outstanding greatness of the respected and beloved leader Comrade Kim Il-song and with the wisdom of his leadership. For more than 60 years since he embarked on the road of revolution in his early days, the respected and beloved leader has led our people's revolutionary cause, the socialist cause, at the forefront. In this course he has fully demonstrated his features as the most outstanding leader of the revolution and construction. It is none other than the great leader Comrade Kim Il-song who has opened the most correct path of our style of socialism on which no one has traversed as yet. It is also precisely the great leader who has provided the outstanding political, economic, educational, cultural, and public health systems of our country of which we are so proud today.

All victories and successes achieved in socialist construction today and every aspect of the happy life that our people enjoy today bear witness to the boundless efforts and consideration of the respected and beloved leader, who has devoted his whole life to the fatherland, the people, and the socialist cause. Our party, which upholds the ideology and leadership of the respected and beloved leader Comrade Kim Il-song, not only has done much work, but has also achieved immortal feats in adding luster to socialism. This tells us that deeply mastering the historty of socialism, its characteristics, driving force, and vitality, becomes the noble task of keeping engraved on one's heart the greatness of the party and the leader who has provided the superior socialist system.

As we are more deeply aware of the superiority and might of our style of socialism, our reverence and trust in the party and the leader, as well as our determination and will to carry out the revolution under the leadership of the party, are to be further enhanced and deepened more staunchly. In this case, the people do not forget the benevolent solicitude of the party and the leader that have provided them with the most superior socialist system and the new happy socialist life. The people are to be infinitely loyal and dutiful to the party and the leader everywhere and at all times, with the firm stand that our leader and party are great.

The significance and importance of the work of mastering the superiority of our style of socialism lie precisely in seeing to it that party members and the working people not only establish a thorough revolutionary view of the leader, but also uphold the party forever with revolutionary faith and a sense of duty. For party members and the working people to deeply master the superiority of our style of socialism also constitutes a task of more firmly cherishing in their hearts the great national pride and honor of carrying out the revolution under the banner of the great chuche idea. To be infinitely loyal to our party's cause, the revolutionary cause of chuche, it is not only imperative for us to take the great chuche idea, the guiding ideology of our party, as our firm and invariable faith, but it is also important for us to be deeply aware of the reality of our style of socialism in which the chuche idea is embodied.

The reality of our country's socialism is the proud canvas on which the chuche idea, the great man-centered ideology, has been converted into tremendous material strength. Even on the formidable revolutionary road on which they have to fight their way through multilayered trials and difficulties, our people have built, without the slightest degree of deviation, the tower of the most superior socialism which is shinning with self-dependence, self-support, and a self-reliant defense. This is because they are advancing, holding aloft the banner of the immortal chuche idea. All victories and successes achieved in the revolution and construction today are precisely the noble fruition of the chuche idea. Precisely on the foundation of the superiority and solidity of our country's socialism lies the chuche idea.

Because of the existence of the great chuche idea, our style of socialism is radiating its brilliant rays of a society of single-hearted unity in which the party and the people are firmly united as one sociopolitical organism. It is the genuine society for the people in which the popular masses have become the genuine masters of society and in which everything in the society serves the people. It is the most viable and promising society, vigorously advancing along the single road of victory without faltering under any storm or trial. This is why our course of mastering the superiority of our style of socialism is synonymous with the course of mastering the truthfulness of the chuche idea and its great vitality.

Only when one is well aware of one's fatherland can one become a genuine patriot. Likewise, only when we extensively and deeply master the superiority of our style of socialism, that we have built in a unique way, can we cherish in our hearts as our firm faith, the pride of carrying out the revolution with the great chuche idea. Only when we not only correctly understand the greatness of the chuche idea theoretically, but are also extensively and deeply aware of the great reality in which the chuche idea has been embodied, that is to say, the superiority of our style of socialism, can we feel with all our hearts the correctness and invincibility of the chuche idea and become thorough defenders and implementers of it.

All unsung heroes, standard bearers of the three revolutions, and other creaters and innovaters of exploits—who have devotedly upheld and followed the party's cause while taking the great chuche idea as their firm and invariable faith—are those who are aware better than anyone else that our socialism, in which the chuche idea has been embodied, is indeed a superior and blessed society.

Experiences show that only when one deeply masters not only the great chuche idea theoretically and in terms of principle, but also the reality of our socialism in which the chuche idea has been embodied, can one become a genuine revolutionary who is infinitely loyal to the party's cause, and who is blessed with the love and respect of the masses. Herein lies one of the important reasons why our party has always stressed the need to conduct indoctrination in the chuche idea in close combination with reality among party members and the working people. Deeply mastering the superiority of our style of socialism also constitutes an important task in advancing forward, invariably holding aloft the banner of socialism, the red flag of the revolution.

Serious confrontation and struggle between socialism and imperialism, and between the progressive force and the reactionary force, still continue in the international arena today. Because of the cunning and brazen-faced maneuvers of the imperialists to realize their wild ambition for dominating the world, unexpected incidents have taken place in many regions of the world, and the people's socialist cause has met a grave challenge.

The more the imperialists go berserk, the higher our people who carry out the revolution should hold the banner of socialism. To do so, we should master in our hearts the absolute superiority of socialism over capitalism and, in particular, the superiority and invincibility of socialism that we have built under the banner of the chuche idea.

The socialism which we constructed under the wise leadership of the party and the leader is an ideal society in which it blossomed into a living reality through the bloody struggle of the true revolutionaries and people over such as long period of time.

Today in our country, all the people including workers, peasants, office workers, and residents in the rural and urban areas, are virtually guaranteed the right to food, clothing, consumables, and life, and are guaranteed the conditions necessary to carry this out from the nation and society. They are endlessly living happily while enjoying a healthy and long life.

From the day people are born they are supplied with rice for the price of outdated rice which is almost for free; they do not know what the word 'tax' means; and they educate their children and get medical treatment without spending any money. Therefore, the social benefits and a worry-free life which our people are receiving cannot even be thought about in a capitalist society.

We must wholly and deeply master the true value of this kind of valuable life, which only our society which is centered around man can enjoy, and the superiority of our country's socialist system in not just one aspect but in all fields including the political, economic, and cultural fields, so that we can further firmly engrave in our hearts the determination to complete the socialist cause.

During the most formidable period of the Fatherland Liberation War, our people displayed peerless popular heroism, and for the first time in history they defeated the U.S. imperialists who are the boss of the world imperialists, and defended every inch of the fatherland by shedding blood. This was possible because the people were regarded as masters of the factories and the land, and they mastered in their hearts that our system which brought about a decent life and true happiness, is all the more valuable and good.

The happiness and social benefits which our people are enjoying today under our socialist system cannot even be compared with the Fatherland Liberation War period of the past or the period after the war.

The more we realize that the happiness which we ourselves are enjoying is great and the benefit from the party and the leader is great, we must deeply think about how valuable that is. By doing so, we can devote all our wisdom and energy in the road toward elucidating it in any environment, without the slightest wavering in the socialist faith.

Today our people are living and carrying out the revolution in a chuche fatherland and a model socialist country of which the world people are consistently envious.

While being born in the land of Korea and living amidst the most superior socialist system under the leader of the great party and the great leader, it is a just duty to have a deep knowledge of how good and valuable their fatherland, their system is.

All the party members and workers must not only put great effort into the principle of the superiority of our style of socialism, but also must put great effort into the work to wholly master it through the concrete reality.

Party's 'Revolutionary Character' Stressed

SK2103031691 Pyongyang Domestic Service in Korean 0600 GMT 20 Mar 91

[Unattributed Talk: "Defending the Party's Revolutionary Character is the Fundamental Question Related to the Destiny of the Party and the Revolution"]

[Text] In his historic documents, including the document, "the Workers' Party of Korea is the organizer and creator of all victories of our people," the dear leader Comrade Kim Chong-il extensively elucidated the principled problems which arise in strengthening and developing our party into a revolutionary party of chuche.

One of the problems which occupy an important position in the ideology of chuche-oriented party-building—which has been clarified in many historical documents—is the ideology and theory on the need to defend the party's revolutionary character.

The dear leader Comrade Kim Chong-il has indicated: Defending the party's revolutionary character is an important question related to the destiny of the party, that is to say, the destiny of the revolution.

The party of the working class is completely distinguished from other political parties precisely in its character. The party of the working class is not only a political organization which takes the independent revolutionary ideology of the working class as its guiding ideal, but is also the representative and implementer of the interests of the masses of working people, including the working class. These are the fundamental characteristics which prescribe the character and appearance of the party of the working class, and precisely herein lies the revolutionary character of the party of the working class.

Defending the party's revolutionary character is an important question related, above all, to the destiny of the party of the working class. All things are to put an end to their existence once their attribute has changed. Likewise, if the party of the working class fails to defend its revolutionary character, its existence, as well, becomes dangerous.

The party is a political organization which is organized and led by one ideology. If the party's revolutionary character fails to be defended, an alien ideology can invade the party of the working class. Then, it is resurrected and eventually brings about the ideological and organizational collapse and split of the party. If the party's revolutionary character fails to be defended, the party of the working class also cannot become pure in terms of class. The party is an organized spearhead of class. If the party of the working class fails to defend its class character, alien and dangerous elements can invade the party, and eventually the party may become their plaything.

Defending the party's revolutionary character is eventually an important problem related to the fate of the party of the working class. As the revolution advances, there may be changes in the duty, strategy, tactics, and struggle method of the party. However, there cannot be a change in the revolutionary character of the party. If a change takes place in the party's character, the party of the working class is to lose its original appearance and cannot maintain even its existence. The history of the international communist movement clearly proves this to be a stern reality.

Only when the party of the working class invariably defends its revolutionary character can it be maintained, strengthened, and developed as the genuine vanguard organization of the working class and the masses of working people. Defending the revolutionary character of the party of the working class is also an important problem which influences the destiny of the revolution. The party of the working class is the general staff of the revolution and the leading political organization of the society. Only when the party correctly performs its leading functions can it vigorously push ahead with the revolution and construction.

The leading functions of the party of the working class in the revolution and construction can be smoothly carried out only when it thoroughly defends its revolutionary character. Only when the party thoroughly defends its revolutionary character can it not only occupy the position as the core (?unit) of the working class and the masses of working people, but also vigorously lead the broad popular masses into the revolutionary struggle and construction projects by firmly standing at the center of the revolutionary ranks. Also, only when the party of the working class defends its revolutionary character can it enhance its role as the general staff of the revolution, and thus correctly realize its strategic and tactical leadership in the revolutionary struggle and construction projects.

The strategic and tactical leadership of the party of the working class in the revolutionary struggle and construction projects is one of the basic requirements to guarantee victory in the revolutionary struggle and construction projects. Only when the party of the working class defends its revolutionary character can it thoroughly safeguard the independent aspirations and demands of the masses of working people, unify them into one, set forth most correct strategies and tactics, and thoroughly implement them under all conditions and circumstances.

All this shows that defending the revolutionary characters of the party of the working class is an important issue related to the existence, strengthening and development of the party, and to the destiny of the revolution.

Defending the revolutionary characters of the party of the working class is raised today as a more serious question in connection with antisocialist maneuvers of the imperialists.

While maintaining the policy of strength, the imperialists, including the U.S. imperialists, are foolishly adhering to the so-called strategy of peaceful transition for the purpose of breaking up socialism.

In opposing socialism, the imperialists, in particular, directed their spearhead to changing the quality [pyonjil] of the party of the working class, the guiding force in the socialist society.

Therefore, only when we invariably defend the revolutionary characters of our party as the chuche-type party, can we accomplish the socialist cause to the end by enhancing the party's leading role [yongdojok yokhal] as the guiding force [hyangdojok yongyang].

What is important in defending the revolutionary characters of our party is, above all, to firmly safeguard the chuche idea—the party's guiding idea—and to pureheartedly inherit it. The revolutionary characters of our party as the chuche-type party are to be defined by the chuche idea, the party's guiding idea.

Our party is the great party which was founded, strengthened, and developed by taking the chuche idea as the guiding idea. Because our party takes the chuche idea as the guiding idea, it became an ever-victorious party with a most solid foundation, with a unique history of development, with great achievements and with precious experience.

Because our party carried out the building of the party and the party's activities based on the chuche idea, it could firmly maintain its class characters in compliance with its revolutionary nature even under the circumstances in which the revolution has far advanced and the environment and mission of the struggle have changed.

No matter what wind may blow from anywhere, we will consistently grasp the revolutionary banner of the chuche idea—our party's guiding idea—and will vigorously push for the chuche-orientation of the entire party in the future, too. Thus, we should strengthen and develop our party as the chuche-type revolutionary party forever.

What is important in defending the revolutionary characters of the party of the working class is to further strengthen the social and class foundation of the party. The social and class foundation of the party is one of the important factors defining the characters of the party.

The party of the working class is the organized vanguard of the class. Therefore, it has a thoroughgoing class nature which serves as the basis for existence and development of the party. In order for one to defend the revolutionary characters of the party, one should strengthen its social and class basis.

Our party is a mass party which accepted the vanguard fighters of the working class as its kernel, and broadly united around its ranks the outstanding advanced elements [sonjin punja] of peasants and working intellectuals, together with the working class.

Our party's popular characters reflect the basic demand of our era when a broad range of the working masses have actively risen in the revolutionary struggle for independence, and concrete realities of our revolution. This enabled our party to rapidly develop itself into a revolutionary party of the working class with deep roots in the broad masses, instead of weakening the class and revolutionary characters of our party as the party of the working class.

In general, the number of people who are engaged in physical labor is to reduce in composition of residents while the number of people who are engaged in (?technological) labor and mental labor as well as the number of intellectuals, are to increase according to the development of society.

However, this does not mean that the social and class foundation of the party of the working class is weakened. Furthermore, since the socialist construction has been pushed ahead, all members of the society including intellectuals are being reformed into the shape of the working class. This is an inevitable trend.

Needless to say, if the ideological work is neglected in the socialist society, the bourgeois idea is to spread among the members of society, and as the result of this, the social and class foundation of the party will be weakened.

Therefore, we should strengthen the political and ideological indoctrination work among the working class, peasants and working intellectuals, and should vigorously wage the work of revolutionization and the development of the working class. Thus, we should constantly strengthen our party's social and class foundation.

All functionaries, party members, and workers should deeply research and study the theory on building of our party and should embody this theory. Thus, they should further strengthen and develop our party into the chuche-type revolutionary party.

KCNA Review of 21 Mar Pyongyang Press

SK2103053791 Pyongyang KCNA in English 0447 GMT 21 Mar 91

[Press review]

[Text] Pyongyang March 21 (KCNA)—Papers here today carry a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Sam Nujoma, president of the South West Africa People's Organization and president of the Republic of Namibia, on the first anniversary of the independence of Namibia.

Appearing in NODONG SINMUN are a letter to the great leader President Kim Il-song from the participants in a national seminar of Pakistan on the chuche idea and South-South cooperation, an account of the seminar and a report delivered there.

The press publishes news that President Kim Il-song received solidarity letters from different countries denouncing the "Team Spirit 91" joint maneuvers and supporting the Korean people's cause of national reunification.

Foreign media gave wide publicity to the answers of President Kim Il-song to questions raised by the president of the Nepal journalists association, says NODONG SINMUN.

Highlighted in the press is news that President Kim Il-song sent gifts to agricultural working people across the country who distinguished themselves in producing meat.

According to NODONG SINMUN, a seminar on "the Workers' Party of Korea Organizes and Guides All the Victories of Our People", a work of dear Comrade Kim Chong-il, was held by the chuche idea study group of foreign students studying in Algeria.

The daily carries a solidarity message to the Central Committee of the Workers' Party of Korea from David Baz, chairman of the Nationalist Socialist Party of Syria in Lebanon, denouncing the "Team Spirit 91" joint maneuvers.

Dailies tell a story about the wise guidance of Comrade Kim Chong-il to the construction of the Samjiyon grand monument at a revolutionary battle site at the foot of Mt. Paektu.

Papers inform the readers of the 9th April spring friendship art festival to be held in Pyongyang on the threshold of April 15.

Given in NODONG SINMUN are accounts of a meeting held to commemorate the 75th anniversary of the foundation of Myongsin School by Kim Hyong-chik, an indomitable revolutionary fighter, and of the 21st plenary meeting of the Central Committee of the General Federation of Trade Unions of Korea.

The daily observes the anniversary of the promulgation of the historical law on completely abolishing the taxation in Korea (March 21, 1974).

Given in the press is an account of the full-dress sowing of rice on cold beds at co-op farms.

North side's paddlers of the unified Korea team to the 41st World Table Tennis Championships scheduled in Japan left Pyongyang, says the press.

NODONG SINMUN introduces the newly-released Korean documentary film "Everlasting Story of Love Associated With Kangson".

The daily informs the readers that a 1991 protocol on mutual commodity delivery, service and payments between the Governments of the DPRK and the Czech and Slovak Federative Republic was signed here.

[illegible]inted in the press are letters addressed by the chairmen of the C.C., the General Federation of the Unions of Literature and Arts of Korea and the Trade Union of Korean Educational and Cultural Workers and the secretary of the C.C., the Korean Democratic Women's Union to their counterpart organizations in South Korea. Yi Song-ho, acting chairman of the C.C., the Red Cross Society of the DPRK, requested the South Korean authorities to convey the letters, but they refused this, so the letters were sent over radio Wednesday, says the press.

NODONG SINMUN comes out with an article introducing the reality of Korea, an embodiment of the chuche idea, which was contributed to the magazine "Nature, Society and Ideology" by American scholars who participated in the Korean-U.S. colloquim held in Pyongyang last year.

Carried in the daily are accounts of the continued "Team Spirit 91" war game by the U.S. imperialists and the South Korean puppets and voices of public figures of different countries denouncing the joint maneuvers.

"Aerial Operation Exercises of U.S. Imperialists for Aggression on the North" is the title of an article of the daily.

The daily reports that Comrade Fidel Castro stressed in his speech at an International health seminar that Cuba's goal is to outdistance the developed countries in the medical field. Also seen there is an account of Cuba's achievements in socialist construction.

It is reported in the press that the first results of the referendum on the preservation of the Union was made public in the Soviet Union and the Malaysian prime minister opposed the use of Asean countries as military bases of outside forces.

NODONG SINMUN reports that the Egyptian president said they would not allow the division of Iraq, the Namibian president urged South Africa to return the territory, the U.N. secretary-general rejected peace in the Middle East under the single supervision of the United States.

Dailies dedicate articles to the first anniversary of the independence of Namibia and the day of struggle of the South African people against racism.

South Korea

KTTA To Use Inter-Korean Cooperation Fund

SK2003035791 Seoul YONHAP in English 0241 GMT 20 Mar 91

[Text] Seoul, March 20 (YONHAP)—The government decided Tuesday to give the Korea Table Tennis Association [KTTA] 256 million won out of the inter-Korea cooperation fund toward paying the expenses of the single Korean team in the 41st World Table Tennis Championships.

The government screened the application by KTTA to financially assist the team from the inter-Korea cooperation fund at the 12th meeting of the council for promotion of inter-Korea exchange and cooperation, chaired by Deputy Prime Minister Choe Ho-chung.

"The government decision was taken in great expectation for the formation of the all-Korean table tennis team setting a good precedent for joint South and North Korean participation in the 1992 Barcelona Summer Olympics, the 1995 Winter Asian Games in Samjiyon in North Korea and the World Youth Soccer Championship in June in Portugal," a senior Unification Ministry official said.

It is the first use of the cooperation fund since it was created in January with this very event in mind, and similar requests are expected to follow with activation of inter-Korea exchange and cooperation projects.

South and North Korea have agreed to share the costs of competing in the world championships, including joint training and accommodation for first united Korean team since division of the Korean peninsula in the 1940s. The competition is set for April 24-May 6 in Chiba, Japan.

In accordance with the Inter-Korean Cooperation Fund Law, the money is exclusively to assist exchanges of people, cooperation projects in the fields of literature, arts, sports and academics, and trade and economic cooperation between South and North Korea.

The government is to raise 25 billion won for the fund this year.

N-S Premier Talks 'Likely' To Resume in May

SK2103074591 Seoul TONG-A ILBO in Korean 20 Mar 91 p 1

[Text] It has been predicted that the North-South premiers' talks, which were unilaterally suspended by the North side, will resume sometime in May.

On 20 May, a high-ranking government source said that since the Japanese side, upon request by our side, presented as a precondition for progress of the North Korean-Japanese diplomatic contacts, active participation in the North-South dialogue, it will be inevitable for the North side to resume the premiers' talks before the North Korean-Japanese diplomatic contacts slated for May in Beijing.

This source said that due to the severe economic situation in North Korea, they are desperate to hold negotiations with Japan on economic exchanges and the issue of compensation. This source revealed that recently 80 percent of the grain distributed to the North Korean residents is corn rice [reportedly made of 80 percent corn flour and 20 percent wheat and rice flour] and in some regions collective protest against the chairmen of the People's Committees are being carried out due to the lack of food.

This source said that since the Team Spirit military exercise, which North Korea put forth as the reason for the suspension of the talks, will end in mid-March, and the U.S. military, which mostly committed the U.S. Navy and Air Force, will all be withdrawn by April, it is likely that North Korea will resume the premier talks.

Another source said that it is known that rice is being sent to the North side through a third country regardless of superficial protest from the North side. This is being done through "the campaign to send the rice of love," by Christian circles in South Korea. This source also stated that there is no change in the existing policy that exporting of rice to North Korea cannot be allowed if it is not in the form of a direct trade.

Government Not To Oppose Japan-DPRK Ties

SK2103074691 Seoul HANGUK ILBO in Korean 21 Mar 91 p 1

[Text] It was learned on 20 March that the government had decided not to oppose the conclusion of an agreement defining the diplomatic relations between Japan and North Korea, just as diplomatic relations were established between the ROK and Japan, even if North Korea and Japan seek to conclude this agreement instead of announcing a simple joint declaration.

Such a policy by the government can be interpreted as recognition of Japanese-North Korean relations, when established, as that between the ROK and Japan, thus showing a forward looking attitude in North-South relations.

However, the government will maintain its previous five-point principles on Japanese-North Korean diplomatic relations, including the call on North Korea to accept Japan's demand for nuclear inspection and close cooperation between the ROK and Japan.

It has also been learned that the government is developing policies to cope with the establishment of diplomatic relations between Japan and North Korea, including a flexible interpretation of the "only legitimate government on the Korean peninsula" as stipulated in the ROK-Japan basic agreement.

A high-ranking government official said that "the issue on basic relations between Japan and North Korea, together with the inspection of North Korea's nuclear facilities and economic cooperation, will emerge as an important question in the course of negotiations for diplomatic relations which are under way between Japan and North Korea."

He noted that "in the event that North Korea etablishes diplomatic relations with Japan by accepting the issue of significant progress in North-South dialogue, and the issue of nuclear inspection, our side will not oppose North Korea's efforts to establish diplomatic relations with Japan in the same capacity as ours."

This official added that "when diplomatic relations are established between Japan and North Korea, we will accept the conclusion of a basic agreement between these two sides, just as in 1965 when ROK-Japanese diplomatic relations were established." He revealed that the definition of the ROK Government in the ROK-Japanese basic agreement as "the sole legitimate government" on the Korean peninsula may raise some problems when the basic agreement is signed between Japan-North Korea. Therefore, our government is also working out measures to cope with this situation.

Ambassador Views Japan, North, IAEA Issue

SK2103013391 Seoul THE KOREA HERALD in English 21 Mar 91 p 2

[By staff reporter Kim Hye-won]

[Text] Japan will not give up its policy to press North Korea to sign a nuclear safeguards treaty with the International Atomic Energy Agency (IAEA), O Chae-hui, newly appointed ambassador [amb] to Japan, said yesterday.

He said the issue not only concerns the two Koreas but also is a problem for Japan and the whole world.

"I don't think Tokyo would handle the matter lightly at this time when Japan's new leadership role is more required in Asia and the world than at any time before," Amb. O told reporters. He will leave for Tokyo next week to assume his new post.

The envoy, who was assigned to London until recently, said Seoul also does not want to see the ongoing talks on the establishment of diplomatic ties between Pyongyang and Tokyo make headway before a "meaningful progress" is made in inter-Korean dialogue.

"We don't have any objection to the talks themselves. But to have talks is one thing and to produce something through the talks is another," the 58-year-old career diplomat observed.

He said the Tokyo government has promised Seoul that it would fully take into account the "five principles" Seoul had put forth as conditions for improvement in Tokyo-Pyongyang relations. The five include the North's signing of the IAEA nuclear safeguards agreement.

"I believe that Tokyo is sharing Seoul's view that Pyongyang should be induced to open itself and to become a responsible member of the international community," said O, a brother-in-law of Prime Minister No Chae-pong.

Communist North Korea signed the international nuclear nonproliferation pact, but refused to sign an international safety standards agreement. The regime is suspected of attempting to produce nuclear weapons. Military experts in and out of Korea have warned that North Korea will be capable of making nuclear bombs in the next five years.

The ambassador said he hopes Japanese Emperor Akihito will visit Seoul "in the not too distant future" to consolidate the relations between the two countries.

"President No Tae-u has already invited him to visit Seoul when he visited Tokyo last year. The two governments would decide the timing of his Seoul visit after full consultations," he said.

To develop the Seoul-Tokyo relationship to a "future-oriented" one, he observed, a fundamental change is needed in the people's way of thinking.

"We should not bind our thinking to the unfortunate past involving the two countries any more in order to develop a new relationship which fits the coming 21st century," O said.

Asked to comment about reports that Japan was considering dispatching members of the Self-Defense Force to the Gulf as a U.N. peace-keeping mission, O avoided a clear-cut answer. He said he believed that the matter should be approached with prudence.

"If the government takes a stand on that matter, I'll put that to use," he said.

As ambassador to Japan, he said, he would also exert efforts to help the Koreans in the country live comfortable lives as full members of society without any discriminations.

Although legal discriminations are expected to be abolished to a considerable extent soon by the agreements reached between the two governments, many social limitations still exist against Koreans living in Japan. They are mostly descendents of the Koreans who were taken to Japan for forced labor during World War II.

O joined the Foreign Ministry in 1957 after passing a government test for higher diplomatic positions. He was ambassador to Pakistan and vice foreign minister.

Soviet Envoy Discusses Technological Cooperation

SK2103054691 Seoul KOREA DAILY in English 21 Mar 91 p 11

[Report on Speech by USSR Ambassador Oleg M. Sokolov in Seoul on 20 March: "USSR Ready To Help Korea With Technology"]

[Text] Oleg M. Sokolov, ambassador of the Soviet Union to Seoul, says his country possesses huge scientific and technological potential and is ready to cooperate with Korea in this area.

Speaking at a luncheon meeting on March 20 hosted by the Seoul Rotary Club, Sokolov also noted that the USSR could serve as a logical connecting link for close interaction between Europe and Asia.

"It is in this broad context that we view our relations with the Republic of Korea. Recent developments have helped our two countries to cover a long way from mutual estrangement and distrust to diplomatic ties and summit meetings. The basic documents signed during the visit by President No Tae-u to the USSR last December, including the Moscow declaration on general principles of relations between the USSR and ROK, not only lay a solid political and legal foundation for our cooperation, but also define quite a number of areas for such cooperation in the near and longer term," he said.

He went on to say, "The recent bilateral accord to grant 3 billion dollars in Korean commodity, investment and financial credits will certainly expand Soviet-Korean economic links even from the present level of nearly 1 billion dollars. Bilateral talks in Moscow in late February resulted in concrete arrangements for utilizing commodity and investment credits. It was agreed, in particular, that the list of commodities we will buy in Korea in 1991, should include mostly consumer goods and production equipment. Investment projects were also approved involving purchasing electronics production machinery, medical equipment, communication equipment, sports footwear and other items. I would like to emphasize that these investments are to be used for manufacturing export commodities as well. This will help the USSR to repay your loans on time."

Prior to concluding his speech by saying "Kamsahamnida" (thank you), he said, "(it is my) firm conviction that the esteemed members of Seoul Rotary Club gathered here will do their best for growing mutual understanding, and for bringing our peoples closer together. I am sure they will support the successfully developing new relations between the Soviet Union and the Republic of Korea."

Competition for Soviet Market Causes Concern

SK2103080091 Seoul HANGYORE SINMUN in Korean 21 Mar 91 p 4

[Article by reporter Cha Ki-tae: "Overheated Competition Among Domestic Business Companies for ROK-USSR Economic Cooperation"]

[Excerpts] Since the offering of $8 hundred million to the Soviet Union as funds for economic cooperation was finalized, a fierce competition is being waged among domestic business companies.

This competition has even extended to the Soviet Union, not being limited to Korea. Thus, voices expressing concern with the overheated competition are resounding at home, stressing that such competition only benefits the Soviet Union while causing disadvantages to our side.

The number of commodities to be supplied to the Soviet Union by the ROK, which were agreed on by the governments of the two countries early this month, reaches 34 in total. These items include products of electronics, textiles, shoes, petrochemistry, and steel and iron. At the earlier working-level talks, the ROK side intended to designate the suppliers of these products. However, the Soviet side was strongly opposed to this, claiming that this will only shrink autonomous business transactions. Thus, the decision has been withheld. Producers of these items and general trade companies are continuing discussions for "autonomous adjustment" in allocating the quantities of these products through the mediation of relevant manufacturers' associations and export cooperatives.

However, the only items they have agreed on up to now are steel and petrochemistry. Since the interest of each business company runs counter to each other company, they failed to reach an agreement on other products. [passage omitted]

The competition among domestic business companies is as fierce in the Soviet Union as in this country. The major domestic general trade companies dispatched additional employees, numbering seven to 10, to their branch offices in Moscow, and are waging heated activities for receiving orders from the Soviet Union's external trade corporation and relevant Soviet government agencies.

Since the competition among domestic business companies showed overheating, the Soviet Union seemed to be prompt in action to take advantage of such overheated competition.

The visits of domestic businessmen to the Soviet Chamber of Commerce in the ROK have become more frequent, and relevant officials of this chamber are broadly collecting intelligence on pertinent domestic production and business firms, including the price list, by visiting each business company.

In addition, for such major items as steel and iron, the Soviet side informed that it will dispatch Soviet experts to the ROK for direct, independent negotiations with pertinent producers, thus placing a strain on relevant officials. While domestic business firms are waging overheated competition in an attempt to sell more of their products, the Soviet Union is going to buy our products through a unified purchase channel. Thus, our side will be dragged into the Soviet pace even after offering money to the Soviet side. The relevant officials on our side express concern over this. [passage omitted]

Deputy Premier Promises Ease of Economic Rules

SK2103022091 Seoul THE KOREA TIMES in English 21 Mar 91 p 8

[Text] The government will continue to ease regulations on economic activities as a way of mitigating trade friction with foreign countries, while helping domestic businesses sharpen their competitiveness, Deputy Premier Choe Kak-kyu said yesterday.

Choe, concurrently economic planning minister, told reporters that the relations between Korea and the United States have greatly improved in overall trade issues this year except for a few such as financial services.

"The improved relations have resulted from a wipe-out of mutual misunderstanding and restoration of trust," said Choe in his first get-together with reporters since he assumed the position on Feb. 19.

Touching on a report of American Chamber of Commerce in Korea (AmCham), the top economic policymaker stressed that it should not be regarded as U.S. pressure.

AmCham called for the acceleration of Korea's market-opening. AmCham recently reported the current U.S.-Korea trade issues to the U.S. goverment and Congress in their annual country report.

Choe said, "It is natural for American businesses to complain about trading practices strange to them. Even domestic businessmen are dissatisfied with the practices they are accustomed to." He further said, "We should improve unfair and complicated trading practices, commensurate with international practices."

He also said the government is not considering lowering domestic oil prices as the crude oil market remains still uncertain. "We will wait and see the international market trend for the time being."

Choe was optimistic about the inflation rate after April, saying that crude prices will not be higher than the Gulf war period and public and services charges have already been hiked to the maximum. But he forecast that consumer prices will soar to 4.8 to 4.9 percent as of the end of March this year due to high crude import prices and hikes of service charges.

He said the current account deficit will amount to $4 billion during the first three months but the account will be balanced during the remaining months of the year.

Concerning compulsory sell-off of idle land of business groups, Choe said, "The government will impose financial restrictions on the groups who failed to sell." He refused to comment whether or not the government will suspend bank credit, saying that the government will do as promised on May 8 last year.

He also reaffirmed that the total money supply growth will be contained at 17-19 percent for this year as targeted in its economic management.

Choe said he would check if a package of measures on sharpening of competitiveness of manufacturing industry announced last week is put into practice as directed. Every economic agency will routinely check it at least once a month, Choe said.

No Stresses Program To Avoid Trade Disputes

SK2103062891 Seoul YONHAP in English 0544 GMT 21 Mar 91

[Text] Seoul, March 21 (YONHAP)—President No Tae-u instructed his government Thursday to create an early warning system so that trade problems do not grow into serious disputes with the nation's trading partners.

No, after being briefed by Foreign Minister Yi Sang-ok on ways to strengthen trade diplomacy, said the Foreign Ministry and economy-related ministries should swap information on external economic exchanges.

"Our trade and economic diplomacy should be carried out in such a manner that the Economic Planning Board (EPB) and the Foreign Ministry, as the centers of internal and external economic policies, respectively, closely cooperate with each other as well as with related ministries in coordinating and pursuing balanced and consistent strategies," he said.

"Furthermore, the government should establish a system of multilateral trade diplomacy with a long-term perspective that can adapt itself to changes in the situation at home and abroad, avoiding a shortsighted defensive posture."

"It is necessary for us to link all trade issues to external negotiations in order to maximize the national interest."

He directed ministers to assign better qualified people to their trade affairs departments to enhance their negotiating capabilities, and to try to strengthen the economy so that it can cope with the external pressures for market opening.

Yi reported to No that he would push ahead with the establishment of a counseling center for foreign companies in Korea within the Trade and Industry Ministry to eliminate sources of possible trade friction by solving the difficulties they face in doing business in Korea.

The ministry plans to arrange meetings of working-level officials from the economy-related ministries once or twice a month to tackle trade issues, and to set up a coordinating and cooperation system among the ministries centered on EPB and the external cooperation committee, which is headed by the economic planning minister.

It also will seek a way to employ economic experts and deploy skilled staffers in key diplomatic missions in the United States, Japan, Geneva, Thailand and the European Community for the smooth process of trade negotiations, Yi said.

Exports to Europe Decrease Dependency on U.S.

SK2103034891 Seoul YONHAP in English 0208 GMT 21 Mar 91

[Text] Seoul, March 21 (YONHAP)—Surging exports to the European Community have sliced into the dependency of South Korean exporters on U.S. markets, the Korea Foreign Trade Association (KFTA) said Thursday.

U.S. imports of Korea-made electronic and electronic appliances, textiles and machinery fell last year, but daily necessities, and steel and metals gained, a KFTA official said. The five were the top export items. The U.S. share of Korea's exports was 29.8 percent, down from 40 percent in 1986.

In contrast, EC-bound exports rose in four categories and the only setback was in steel and metals last year. The EC export share was 13.61 percent.

Electric and electronic exports to the United States were tallied at 6.64 billion dollars, down 12.9 percent: textiles, 4.37 billion dollars, down 8.3 percent: machinery, 2.92 billion dollars, down 11.6 percent: daily necessities, 3.32 billion dollars, up 5.5 percent: and steel and metals, 1.53 billion dollars, up 8.9 percent.

EC-bound shipments of electric and electronic appliances amounted to 2.57 billion dollars, up 22.3 percent: textiles, 1.89 billion dollars, up 0.3 percent: daily necessities, 977.96 million dollars, up 25.4 percent : and machinery, 589.34 million dollars, up 89.4 percent. Steel and metals slipped 16 percent to 573.94 million dollars.

The KFTA official said the U.S. share was below 30 percent so far this year, compared to 30.2 percent last year, in electric and electronic exports and below 40 percent, compared to 43.5 percent, in automobile exports.

He blamed the export decline on a recession in the United States last year and tighter import controls on textiles and 11 other items from Korea.

Exports to the European Community had been driven up by the strength of the European currencies, strong demand in Germany and Korea's market diversification drive, he said.

Exports to Japan dropped 6.1 percent, the first year of minus growth since 1986, to a 19.45-percent share.

Possibility of 'Vacuum' in Administration Viewed

SK2003123691 Seoul TONG-A ILBO in Korean 16 Mar 91 p 2

[Editorial: "People Are Concerned with the Possibility of a Vacuum in Administration for Elections"]

[Text] Although the campaign for local council elections in district, city, and county is being waged on a full scale, a calm atmosphere still prevails. It appears that the national sentiment which is calling for the calm and fair elections of local councils, which have been revived for the first time in 30 years, is creating just such an atmosphere.

We should first point out the low competition rate of 2.35 to 1 which was revealed by the result of candidates' registration. Some people view that this was a result of people's indifference and apathy. However, one should not view such phenomenon merely in a negative way because the competition rate of candidacy in the past should be regarded as abnormal "excessive political heat." Taking the examples of advanced nations into consideration, the overheated competition in elections of local council members, whose positions are only for honor and service without annual allowances or special privileges, is not desirous.

It seems that warnings of the prosecutor's office and the Central Elections Management Committee about strict application of election laws, and the campaign for just and fair elections waged by the press and various citizens' organizations, acted affirmatively for the elections.

In some areas, candidates agreed to cancel their joint campaign meeting, and pledged for fair elections. Thus, the atmosphere has become more composed.

The restraining of political parties from openly interfering in the election campaign appeared to be the greatest factor for repressing the overheating of elections. Since election pledges the candidates may put forward during a campaign meeting are mainly related to local housekeeping instead of political points of disputes of the central political arena, this is another factor making the atmosphere more composed. Thus, the self-control exercised by both ruling and opposition political parties, the Party for Peace and Democracy [PPD] in particular, is commendable. It would have been very difficult for the PPD to shake off temptation for taking advantage of the excellent foundation for expanding its strength even after having laid such a foundation.

In spite of such an outward affirmative atmosphere, a few grievous things are taking place. First is the resignation of candidates en masse. In only two days after the deadline for registration of candidates, 72 candidates voluntarily resigned their candidacies. As a result, the number of areas, where a candidate wins in elections without voting, increased to 470 places. The voluntary resignation and victory of a candidate without voting themselves do not create any problem. In some areas, candidates deliberately did not register, and even after registration, they resigned as the result of negotiations with other candidates because prospects of victory are gloomy, and they were reluctant to compete with their family members or schoolmates. Democracy includes a method of bringing the result not only by voting but also by negotiations.

What is at issue is illegal collaboration and outside pressure. The illegal methods, which are used for making a candidate resign from candidacy through bribery and threat, are in violation of election principles, thus infringing upon the purpose of the local government system, and upon the people's right of choice.

Opposition parties, including the PPD, denounced the opposition figures who gave up registration, and even canceled their candidacies because security organizations, including the Agency for National Security Planning and the Defense Security Command, created an atmosphere of terror, including threat and appeasement.

If their claim is true, the situation is very serious because intervention of such organizations in the elections means not only infringement on the elections but also an indication that these organizations, which advocated their political neutrality, are returning to the authoritarianism of the Fifth Republic. On the other hand, the opposition parties should not denounce such enormous illegal acts only by words. They should wage political and legal struggle by showing concrete evidences.

Next, there is an indication of a vacuum in the administration organizations due to the elections. Some are attempting to use even the heads of neighborhood associations and the heads of city subdivisions for election campaigns by making them resign en masse in defiance of a vacuum to be created in the administration work. This causes people to worry. Besides, the government announced various development plans in succession, and even television carried a live coverage of the announcement. The government claims that these programs were made public in accordance with the schedule planned in advance. However, one should remember that one should not carry out an act which causes the other's misunderstanding.

It appears that the current elections, which exclude intervention of political parties, and in which leaders of local communities are participating, do not impose great burdens on the government and on the ruling party. Therefore, the act of creating a vacuum in administration work, which only spoils the atmosphere of elections, are by no means beneficial to all. We call on the government to refrain from such an act.

PPD, Allied Democratic Party To Merge 9 Apr

SK2103042991 Seoul CHOSON ILBO in Korean 21 Mar 91 p 1

[Text] The Party for Peace and Democracy [PPD] decided on 20 March that, after completely dissolving its party organizations, it will merge with what has been tentatively called the New Allied Democratic Party, which will hold a congress of party founders on 23 March, and will hold a national convention for the merger on 9 April at the Korea Exhibition Center, Samsong-tong, Seoul.

It was learned that, considering the opinion of the New Allied Democratic Party, the new party will be called the 'New Democratic Party' [sinmindang]. A PPD official explained the background of the early merger by saying that the PPD "has decided on an early merger to prepare for the election of assemblies for Seoul, municipalities, and provinces slated for May or June." He also said that the "PPD will dissolve its party organizations first and will inaugurate a new party in the form of politically merging with the New Allied Democratic Party since from the time when a committee to prepare formation of a new party is organized, the law recognizes this as a legal party."

It was also learned that a collective leadership system will be chosen, that PPD President Kim Tae-chung will represent the party as executive chairman, and that seven to nine chairmen will handle party affairs.

It was also learned that many of the PPD chapters led by members who are not lawmakers and, in particular, chapters in Yongnam and Chungchong Provinces, will be handed over to those involved in the New Allied Democracy Party.

DLP Candidate Accused of Attempted Bribery

SK2103014691 Seoul THE KOREA HERALD in English 21 Mar 91 p 2

[Text] The Party for Peace and Democracy [PPD] yesterday accused that a ruling party member running in the March 26 elections offered cash to a PPD candidate in exchange for his withdrawal from the race.

Rep. [Representative] Choe Yong-kun, vice president of the leading opposition party, told reporters that Sin Se-chae, a PPD member running for a country council in Kochang-kun, Chollapuk-to, was offered 100 million won ($139,000) cash plus a 50 million won interest free loan by his ruling party rival if he drops from the election.

The candidate who allegedly tried to buy Sin off is Yi Paek-yong, a vice chief of the Democratic Liberal Party's [DLP] Chollapuk-to chapter.

As proof of Yi's alleged payoff attempt, Choe showed a cassette tape containing Yi's remarks.

Yi, according to Sin, proposed to meet at an inn in Kochang County Sunday night. So Sin carried a small record player [as published] in his jacket to the meeting place to record what Yi said.

Yi was quoted as saying that he has to garner over two thirds of the votes up for grab since he is aiming at not just a county council seat but the council chairmanship.

Sin claimed that Yi even told him how to behave after withdrawing from the contest. However, the ruling DLP denied the PPD allegation, saying Sin's side first asked for money in exchange for staying away from the vote.

The party said it requested the local police to look into the allegation Tuesday, and the case is now under investigation.

Meanwhile, the Central Election Management Office (CEMC) said 151 candidates have so far dropped out of the local elections under mysterious circumstances. This constitutes 1.5 percent of the 10,120 people who originally registered their candidacies.

They break down to 53 members of the ruling Democratic Liberal Party, 11 members of the main opposition Party for Peace and Democracy, one member of the minor Democratic Party and 86 independents.

Political parties are not allowed to put up candidates for the coming local elections in small- and medium-sized cities, "kun" (county) and "ku" (ward) in big cities. But most candidates have some connections with the existing parties. The large-unit local assembly elections are to take place in nine provinces and six big cities—Seoul, Pusan, Taegu, Inchon, Kwangju and Taejon—in June.

As a result of the candidacy withdrawals, the number of uncontested winners increased from 567 on March 15 to 607 Tuesday, accounting for 14.1 percent of the total 4,304 local council members. They include 408 from the ruling party, 62 from the PPD and 133 independents.

The uncontested electoral districts soared from 456 to 487 during the five-day period.

The prosecution has been investigating the unexpectedly large number of people who dropped out of the balloting in a suspicious manner. Two candidates have so far been booked on buying-off charges.

CEMC said that only 14 suspected illegal campaign cases have been reported since official campaigning began March 8. The official campaign ends on the eve of the voting day.

Candidates are neither allowed to hold individual rallies nor can they visit the homes of voters.

Meantime, the ruling party urged PPD leader Kim Tae-chung to scrap plans to visit his political stronghold of Cholla province.

Pointing out that by law parties cannot openly support candidates in the small-area local elections, DLP spokesman Pak Hui-tae said that most people do not want political parties to intervene in the elections.

* Article Examines Race for Political Power

912C0125A Seoul WOLGAN CHOSON in Korean No 2, Feb 91 pp 122-143

[Article by Cho Kap-che: "Battlefield Taking Shape for Kim Yong-sam - Kim Tae-chung Final Showdown"]

[Excerpts] As the political power race continues for the next two years, what impact will the local autonomy system elections and the 14th general election generate to bear on it, what change will there be in the political consciousness of our people, and what strategies will the presidential candidates pursue at a time public opinion is demanding a DLP [Democratic Liberal Party] primary and transfer in generation?

Politics No Longer a Show But Part of Life

The next two years—which will see the local assembly elections, the general election for the 14th National Assembly, the gubernatorial and mayoral elections, and the 14th presidential election held in that order—will mark a period of sweeping changes in politics in this country. Politics, centralized and evolving around Chongwadae and the National Assembly, has long remained a distant show for the general republic; however, the inauguration of the local autonomy system will push the stage right into our neighborhood, and our daily life.

Consequently, the political consciousness of the general public cannot but shift its position from the spectator's stand to the level of the participant.

In the era of centralized politics, all that was there for voters to do to fulfill their obligations was to criticize and look down on politicians.

As politics becomes part of the daily life, however, citizens will suffer the consequence directly should they fail to participate in it, and in reform efforts. Change to come in the perception of politicians and voters as politics gets closer to the public will precisely serve as the driving force for an overhaul of the existing political order. [passage omitted]

The next two years will see a historic fourth challenge following these successes [the high growth of the economy, the political democratization, and the contribution to the East-West rapprochement through the Seoul Olympic Games]. The period will lead to the finale marking the completion of modernization. It will also mark the change of the times from the era of "demand" for democratization to the "practice" of democracy.

Against the backgrounds of these historical factors, politics in this country in the next two years are likely to evolve around two variables.

Which Way Will Public Opinion Swing?

Will the constitutional amendment come and the cabinet system become a reality? If not, will Kim Yong-sam and Kim Tae-chung be fighting it out again in a one-on-one? Once more the two Kims come into the spotlight as the two axes to determine the flow of politics in Korea. The anticipated showdown will be a final battle between the two Kims. There will be no more return matches. So much so, it promises to be a dogged, all-out bloody battle.

In Korea, interactions between change in public opinion and response by political forces would alter the face of politics. And which way is public opinion swinging now?

First of all, people are becoming increasingly apathetic and disillusioned with the way politics are. In a CHOSON ILBO-Gallup Korea public opinion poll in September 1989, approximately 35 percent of the respondents indicated that they "either have no political party to support or have no answer." The rate increased to approximately 40 percent in a survey one year later in September 1990, and further to about 47 percent four months later in December the same year. The infighting within the Democratic Liberal Party [DLP], the old, stereotyped style of the Party for Peace and Democracy [PPD] and the timeserving, opportunist attitude of the Democratic Party [DP] all served to spawn disappointments with politics in general among the people.

Second, the public opinion favoring generation change of political leaders is overwhelming. According to a poll conducted by Modern Research at the request of KYONGHYANG SINMUN in December 1990, approximately 80 percent of the polled said that the next presidential election will be fought between Kim Yong-sam and Kim Tae-chung. At the same time, however, 84 percent of them saw it as undesirable.

Meanwhile, in a December 1990 survey by five major local dailies, including PUSAN ILBO, through the Gallup Korea Institution of Public Opinion, approximately 75 percent of the polled responded affirmatively to: "There will be no political progress unless Kim Yong-sam, Kim Tae-chung and Kim Chong-pil retire from politics." The rate was 67 percent in Kwangju and South Cholla Province and 81 percent in Pusan and South Kyongsang Province.

Third, for the would-be next generation leaders likely to replace the three Kims, the survey found much less public support than for the three Kims. This means that while the people basically share the view favoring transfer in generation, they are practically left unable to find a realistic alternative.

Those polled in the five local dailies' survey recommended the following persons to be candidates in the next presidential elections: Kim Tae-chung (17.5 percent), Kim Yong-sam (10 percent), Kim Chong-pil (8.3 percent), Yi Chong-chan (3.8 percent), Yi Ki-taek (3 percent), No Mu-hyon (2.6 percent), Paek Ki-wan (2.3 percent), Kim Pok-tong (1.9 percent), Pak Chol-on (1.8 percent), Pak Chan-chong (1.8 percent), Kim U-chung (1.4 percent), Kim Tong-kil (1.3 percent), Pak Tae-chun (0.9 percent), Chang Se-tong (0.7 percent), and Yi Chol (0.5 percent).

Meanwhile, in an October 1990 Gallup Korea survey the following persons were picked as desirable political leaders—excluding No Tae-u and the three Kims: No Mu-hyon (7.1 percent), Pak Chan-chong (4 percent), Yi Chol (2.4 percent), Hong Sa-tok (2.3 percent), Pak Chol-on (2.3 percent), Paek Ki-wan (1.4 percent), Kim Pok-tong (1.4 percent), Yi Chong-chan (1.3 percent), Kim Yun-hwan (0.6 percent), Kim Tong-chu (0.4 percent), Pak Tae-chun (0.4 percent), Kang Yong-hun (0.3 percent), Chong Tae-chol (0.3 percent), and Mun Tong-hwan (0.3 percent).

Cabinet System Popular in the Honam Region

Fourth, public support for cabinet system is gaining steadily although still lagging behind that for the presidential system. In the September 1990 CHOSON ILBO-Gallup Korea survey, 40 percent preferred the presidential system while 31.2 percent favored a shift to the cabinet system. Another survey taken one month later showed the preference rates as 39.7 percent and 33 percent respectively, indicating a narrower gap. An in-depth analysis of this trend would point to conflict and contradiction between the Ideal and the Real in this issue as in the issue of generation change.

To the question "Which system do you think will better reflect public opinion?" approximately 46 percent voted for the cabinet system while about 25 percent picked the presidential system. To the question "Which system do you think will bring greater stability to politics and society in our country?" approximately 45 percent picked the presidential system and about 30 percent picked the cabinet system. Based on these perceptions, people tend to prefer the presidential system, namely the side of social stability, in their judgment on "which of the two systems do you think is better in our country?" According to a pollster, "our people tend to choose sticking to the present presidential system rather than risking the confusion associated with the constitutional amendment although they know that the proposed cabinet system is in a sense more practical in our country."

The biggest factor pushing up the support for the cabinet system is a change in the perception of people in the Cholla Provinces. Despite the fact that PPD President Kim Tae-chung is demanding preservation of the presidential system, the support rate for the cabinet system in those provinces is higher than in any other provinces. In the September 1990 CHOSON ILBO-Gallup Korea poll approximately 35 percent of the Cholla respondents showed their preference for the cabinet system (against 36.9 percent for the presidential system), which was 4.4 percent higher than the national average of 31.2 percent. One month later, the support rate for cabinet system in the Cholla Provinces rose to 39.4 percent or 6.4 percent higher than the national average of 33 percent. Thus, in the Cholla Provinces, the support for cabinet system turned the tables on that for the presidential system (33.3 percent), beating the latter by 6.1 percent.

The public opinion supporting the cabinet system has been gaining momentum since PPD President Kim Tae-chung announced in April 1989 that he would consider the proposed constitutional amendment for the cabinet system. A KWANGJU ILBO poll, conducted immediately after the announcement, put the support for the cabinet system in Kwangju and South Cholla Province at approximately 59 percent and that for the presidential system at about 37 percent. This proves that the political views and activities of people in the Cholla Provinces are greatly influenced by what Kim Tae-chung says and does.

Then, why is it that the public opinion in the Cholla Provinces shows no response to the change on the part of Kim Tae-chung while he has since last year made it clear that he will stick to the presidential system? In this connection, a public opinion analyst says: "People in the Cholla Provinces see the cabinet system as being in their interest. In addition, they hold on to hopes that Kim Tae-chung might come back to the support of the cabinet system." When making political moves, Kim Tae-chung will have to give top priority to trends in public opinion in the Cholla Provinces, his firmest support base. In other words, public opinion in the Cholla Provinces is prepared to accommodate with little difficulty the change on the part of Kim Tae-chung in case he shifts to the cabinet system.

Also, the diminishing popularity gap between the presidential system and the cabinet system suggests that a push for the cabinet system by an accord between the ruling and opposition camps is not likely to stir much negative reaction among the people.

Truth about Kim Tae-chung's No. 1 Standing in Popularity

Fifth, lately there have been signs that the PPD and Kim Tae-chung appear to be gaining more or less in terms of support rate and support base. The September 1990 CHOSON ILBO-Gallup Korea survey put the support rates at: 21.5 percent for the DLP, 17.7 percent for the PPD, and 12.5 percent for the DP, while 40.2 percent of the polled indicated that they "either support no party or have no answer." In the December 1990 survey, the ratings changed to: 18.5 percent for the PPD, 16.8 percent for the DLP, and 11.2 percent for the DP, while 46.6 percent said that they "either support no party or have no answer." In other words, the DLP slipped drastically in popularity. The support rate for the DP also fell slightly and that for the PPD gained somewhat, while those uninterested in any of them increased sharply in number. Meanwhile, the KYONGHYANG SINMUN survey put the rates at: 20.5 percent for the PPD, 24.3 percent for the DLP, and 13.9 percent for the DP. In the survey by the five major local dailies, the support rates were: 21 percent for the PPD, 17.1 percent for the DLP, and 11 percent for the DP.

Most of the popularity surveys on politicians (President No Tae-u not included) also found Kim Tae-chung in the No. 1 spot.

The KYONGHYANG SINMUN survey showed Kim Tae-chung as most popular in the opposition camp with 33.1 percent. As for politicians of the ruling camp, it gave 22.6 percent to Kim Yong-sam and 9.9 percent to Kim Chong-pil. In the joint survey by the five major local dailies, the support rates for the three Kims as presidential candidates were: 21.9 percent for Kim Tae-chung, 15 percent for Kim Yong-sam, and 16 percent for Kim Chong-pil, while 37.1 percent said that they "prefer someone else."

These ratings have prompted the PPD to assert that "Mr Kim Tae-chung has finally secured a bridgehead in the non-Honam sphere." At the same time, they made a section of the ruling camp worry that "this trend, if left unabated, could lead to our fall from power."

The reason for the DLP's failure to improve its popularity rate is that many of those who had supported the former Reunification Democratic Party [RDP] and the New Democratic Republican Party [NDRP] refused to support the DLP at the time of the three-party merger of the Democratic Justice Party [DJP], the RDP and the NDRP. According to the KYONGHYANG SINMUN poll, of those who had supported the former NDRP, only 18.1 percent remained to support the DLP following the merger, 34.2 percent shifted their support to the present DP, and 37.5 percent said that they "support no party." Meanwhile, of those who had supported the NDRP, only 29 percent stayed on to support the DLP while 44.5

percent said that they "support no party." Most of those who said that they "support no party" had previously been supporters of the DJP, the RDP or the NDRP. This means that those uncommitted, accounting for approximately 40 percent, are basically anti-DLP.

Especially, those who "either support no party or have no answer" were quite few in number in the Cholla Provinces but quite many in the Kyongsang Provinces. Since it is characteristic of the Kim Tae-chung and PPD supporters that they make their political preferences relatively clear in opinion polls, the current support rates could be higher than the rates that translate into votes in the actual elections. A noteworthy change is that in Taejon and South Chungchong Province, Kim Tae-chung's popularity is rising rapidly and is ahead of Kim Yong-sam, although by a small margin.

Sixth, the public, frustrated by and turning apathetic at politics, has been showing increasingly greater interest in issues of livelihood. In the September 1989 CHOSON ILBO survey, 21.7 percent of the respondents saw public security as being the No. 1 issue facing the country, followed by political and social stability (21.4 percent), labor-management relations (21.1 percent), student demonstrations (13.4 percent), and price stability (11.5 percent). However, in the survey taken one year later, there was a shift in their views, with 34.1 percent seeing price stability as the No. 1 task, followed by public security (27.7 percent), political stability (12.9 percent), and reunification, diplomacy and national security (12.8 percent). As pubic concerns shifted to economic and public security issues, the positive rating for President No Tae-u has declined from a 50 percent level to approximately 25 percent.

The biggest factor responsible for the decline in President No's popularity is not the three-party merger but the high prices and crime rates.

According to the joint survey by the five major local dailies, approximately 88 percent of the respondents think that the prices will go higher in 1991 than in 1990, and 62.2 percent expect greater economic difficulties in 1991 than in 1990.

In predicting political trends for the next two years, the economy will be the greatest external variable factor. The reason why the June 1987 upheaval could create a decisive momentum for democratization was that even when practically every citizen took to the streets for one whole month at that time, the national economy was strong enough to keep going unaffected at all. When the economy faces rough going, the possibility goes high of public opinion turning conservative to political change such as a constitutional amendment.

The first event with a crucial impact on political trends for the next two years is the local assembly elections scheduled for March this year. The elections will be of the largest scale in history in terms of the number of candidates and the size of election funds involved.

The speculations that 4 trillion won will be spent in election funds in the local assembly elections are based on these calculations: the total number of members of the basic-level local assemblies is 4,287 and three times as many candidates are expected to run, each spending 200 million won and bringing the total to 2.57 trillion won. Meanwhile, the total number of members of the upper-level local assemblies is 866 and four times as many candidates are expected to run, each spending 400 million won and bringing the total to 1.39 trillion won. However, since speculations on money spent in elections normally involve vast exaggerations, the total amount of election funds being spent in the coming elections is estimated at about 1 trillion. A significantly large portion of that money will go to parties, party leaders and National Assembly members from the hands of candidates seeking party endorsements of their candidacy. Thus, financially, the central political communities will also benefit greatly from the local elections.

So Many Candidates, So Many Strategies

If each candidate uses an average of 15 regular campaign workers, it will come to approximately 240,000 persons thrown into election campaigns for a month or so, aggravating manpower shortages on construction sites. The impact of a collective experience is proportional to the quantity of movements; as the local assembly elections involve tremendous amounts of materials, money and manpower, as well as so many spectators and players, they are bound to produce a major impact socially and politically.

Strategies of political forces toward the upcoming elections vary by their interests. The composition, line and substance of political parties could change drastically for elections and through elections. Pro-cabinet system forces within the ruling camp maintain that they will win an overwhelming victory in the non-Honam regions and make Kim Tae-chung realize the PPD's limitations. It was based on this strategy that they, in the course of ruling-opposition bargaining over the local autonomy system, persisted in the single-member constituency system and rejected a proportional representation system, leaving no chances of the PPD making further gains. Meanwhile, it is the Kim Yong-sam camp's calculation that they should refrain from pressing the PPD too hard and driving it into a tight corner.

The PPD's strategy is that although it may give up North Kyongsang, North Chungchong and Kangwon Provinces, the party will sweep the Honam region and go on to win an overwhelming victory in Seoul, put up a good fight in South Chungchong and Kyonggi Provinces and secure beachheads in Pusan and South Kyongsang Province. In Pusan and South Kyongsang Province, the Kim Yong-sam base, opinion polls indicate a gain by 9-10 percent in the support rates for the PPD and Kim Tae-chung. Even if the PPD should fail to secure local assembly seats in this region, winning a decent number of votes there could be an important step in the Kim Tae-chung expansion strategy.

The DP, riding on its image as a group of elite National Assembly members, once rose to No. 1 in the popularity contest. Subsequently, however, it dragged on with tedious, unrealistic opposition-merger negotiations, spreading disillusion among the public. Also, internally, it even failed to demonstrate a minimum level of organizational ethics, eventually sliding more than a half in the popularity rating. With the elections at hand, the DP is in a desperate struggle to reorganize the battlefront by drawing in reformists and old politicians.

Those seeing the local autonomy system elections as a mere power struggle among political camps would say, rather scornfully, that the elections are "not likely to bring any major change in the present picture of political territories." However, when seen not from the viewpoint of factional interests but from a broader standpoint—a standpoint of political culture, so to speak—foreseeing the elections and subsequent developments in the practice of the local autonomy system, the elections promise some essential change that could very well be characterized as "election revolution."

An election revolution is not something that should be discussed simply from a numerical level involving the number of seats gained or lost by each party. In the 12 February 1985 general election, as far as the DJP was concerned, only five of its candidates failed to be elected nationwide and, moreover, the vote it won nationwide was about the same as in the 1981 election. Nevertheless, the 1985 election proved to be the watershed reverting trends of our society to a democratization course as citizens dramatically expressed their pro-democracy will and, by mutually reaffirming their fervent aspirations for democracy through the voting, formed a solid belt of consensus. [passage omitted]

The Only Variable Is President No's Will

Rep. Hwang Pyong-tae said that "even if the PPD is defeated in the local assembly elections, it can still pin its hopes on the gubernatorial and mayoral elections and the general election next year. Therefore, as long as it is riding on the wave of popularity, it will not give up the direct presidential election too quickly." "As time passes by, however," Hwang added, "options will narrow down for Kim Tae-chung—and for the DLP, too."

He further said: "Last year there were a number of variables as to Kim Yong-sam's chances of becoming a presidential candidate. Those variables, however, have mostly disappeared since the beginning of this year. The only variable remaining could be President No's will."

Rep. Hwang said that the No-Kim succession system will become visible through the process of party endorsements for candidates for the 14th National Assembly. "Although an early designation of successor, they say, tends to bring on leaks of power," he said, "leaking occurs when pipes do not match in size or fail to connect properly. If the pipes connect firmly in the No-Kim succession, it will rather add to political stability."

According to Rep. Hwang, Kim Yong-sam's position will become solid only when President No and Kim begin leading the party endorsement process together and when Kim personally takes the lead in campaigning for DLP candidates in the general election.

Rep. Hwang said: "Any controversy in the endorsement process will bring the DLP to face the danger of total defeat in the general election. Therefore, I expect that President No will make his choice clear."

In reference to the possibility of some DLP members joining hands with Kim Tae-chung in a push for the cabinet system constitutional amendment premised on a coalition government, he brushed it off, saying: "It would be an impossible thing due to pressures from big businesses, the military and bureaucracy that form the DLP support base."

Commenting on the issue of next-generation leaders challenging to Kim Yong-sam, Rep. Hwang said that they will "fail because they have no experience in pro-democracy struggles in their track records nor firm bases of support among the masses like the one Mr Kim has."

"If any of them should come to face Mr Kim Tae-chung as a presidential candidate, he would immediately be exposed to, and unable to withstand, attacks against him as a Fifth Republic remnant or a military-man politician," he said.

"When I accompanied Mr Kim Yong-sam on a visit to Masan, I keenly felt that the support for him among the people of Pusan and Masan is enthusiastic and tremendously dynamic. Currently, polls indeed seemingly indicate a little decline in his popularity but the volatility is always there of it shifting to a fervent support at any time when the election comes or if they see Mr Kim as unfairly treated. Who of the DJP faction has such a firm support base?"

Rep. Hwang further said that "with a view to keeping the campaigns from being overheated, the ruling and opposition can negotiate an accord to use the television debate format more than mass rallies in the 14th presidential election campaigns."

Kim Yun-hwan, DLP floor leader, was in the same class with President No Tae-u at Kyongbuk High School. During the last days of the Fifth Republic, he, serving as senior secretary for political affairs for President Chon Tu-hwan and, successively, as secretary general of Chongwadae staff, played a part in arranging the transfer of power from behind the scenes. A highly affable person, he not only plays the role of minimizing frictions between DLP factions but also has a way of easy communication with the PPD. While drawing attention as the center of Kyongbuk High School alumni among politicians, he is so close to Kim Yong-sam that he is even said to be a Kim Yong-sam backer. Kim Yun-hwan now and then makes remarks aimed at restraining activities of those considered next-generation leaders, including Rep. Yi Chong-chan.

Floor Leader Kim Yun-hwan's Thinking

Kim Yun-hwan also said that "while there is a ray of hope for the cabinet system constitutional amendment being passed in the 14th National Assembly, it appears most likely that the next presidential election will be by a direct, popular vote." "As for Kim Yong-sam, however," he continued, "his presidential candidacy should be decided by a DLP primary election. Voters would not support him should he become a candidate by President No's nomination."

Answering the question "Is such a primary—the virtual threshold to power—feasible of the DLP in its present shape?" Kim Yun-hwan said:

"Whoever wishes to run for presidency, he must get on with the work of expanding his support base within the party now. In Mr Kim Yong-sam's case, he needs support by members of the DJP faction and, therefore, he has to work for it. And this process will also lead to party unity. The party primary will after all pick a man most likely to be elected by voters, won't it? Therefore, I have been emphasizing that Mr Kim Yong-sam will most likely be our presidential candidate and that if too much damage is done to him now, we will suffer the consequence in the presidential election."

Kim Yun-hwan differs with Hwang Pyong-tae's contention that Kim Yong-sam will solidify his position as the DLP's potential presidential candidate while going through the process of party endorsements for candidates for the 14th National Assembly.

Party endorsements will be granted according to the proportional strength of the three DLP factions, he said, adding that "I cannot be so sure that there would be no troubles between the DLP secretary general, who is of the DJP faction, and Mr Kim Yong-sam while going through that process."

Answering the question "Don't you think that the DLP should make its position clearer over the issue of the cabinet system constitutional amendment before the 14th general election?" Kim Yun-hwan said: "It should be left as it is, namely we will not do it if the people and opposition parties oppose it. I see no alternative."

The DLP will gain stability once it goes through the elections for the local autonomy system and the 14th National Assembly, Kim Yun-hwan said, adding that he believes every member has a sense of crisis, knowing that "divided once more, all will fall."

Kim Yun-hwan said: "Mr Kim Yong-sam should, by his attitude, first show himself as being dedicated to the party interests and supporting President No wholeheartedly. If things go this way, it will spontaneously generate a favorable atmosphere among members of other factions, too, to back up the man who once staked his political life on the three-party merger. This is the only way and there is no other way."

"While there has been a slip in the DLP's popularity," Floor Leader Kim Yun- hwan noted in a tone of self-appraisal, "we could attain some stability in government as we know about and it was because the ruling party—thanks to the three-party merger—could actively deal with issues at the time of the parliamentary inspection of government offices and in passing the budget bill." [passage omitted]

Rep. Pak Chan-chong's Idea of Dual Government

Of all the politicians, Rep. Pak Chan-chong, DLP vice president, has probably been the most enthusiastic advocate of change in generation. It could have been a factor in that he has always been one of the leading runners in the polls on next-generation leaders. He took the third place in a poll of 111 political reporters, published in the August 1989 issue of WOLGAN CHOSON, and the second place in an MBC survey of 200 political science professors at 36 universities across the country, conducted in December 1989. Of late, however, there has been a change in his attitude. "Demanding an unconditional withdrawal of the two Kims is not likely to lead to transfer in generation," he said, adding that "this is the time for us to rack our brains." Rep. Pak then produced a "dual government plan" as his "suggestion" to generate a merger of the opposition camp in the next presidential election.

He said: "What the present constitution of our country provides for is not a genuine president-responsible system. Tempered with an element of cabinet system, it is of strongly dual government nature. If we make the most of the spirit of the constitution, it is possible to install a powerful prime minister empowered with personnel management of the cabinet. We should try to take advantage of this point. Realistically, amending the constitution is hardly practicable now. Therefore, a presidential candidate should be required to make a campaign pledge about whom he will name to be his prime minister and announcing that he will, if elected, renounce his party affiliation and devote himself exclusively to diplomacy and national defense while leaving domestic administration to the prime minister. In my view, a genuine version of a cabinet system, in fact, does not suit realities in our country. If issues relating to North-South relations are to be resolved from a nonpartisan position, we need to have a president with authority to control the armed forces. Of course, there are fears of a power struggle between the president and the prime minister but, in fact, the system is working well in Austria, Finland and France, isn't it?"

Kim Yong-sam is known to be sympathetic with Pak's idea.

Meanwhile, Kim Tae-chung calls for installing a vice president system, which is also an attempt to widen the sphere of influence by running a non-Honam personality for the proposed vice president post. Although the series of approaches still remain in a conceptual stage, it is highly possible that they will be given shape as a cohabitation formula for the transition period to adjust the interests between the two Kims and next-generation leaders.

As the possibility rises of the two Kims facing each other in the next presidential election, public opinion will increasingly demand efforts to avert a head-on collision. There is also the possibility that the two Kims, driven into a corner by the rising demand for change in generation, will find that there is no alterative but accede to the demand and form an alliance one way or another. This means that the next presidential election will take place not in the form of one-on-one duel but as a two-against-two tag match.

Yi Chong-chan's Ambition and Limitations

Of all the ruling camp politicians, Rep. Yi Chong-chan, DLP, has been most outspoken about his intent to be a presidential candidate. In August 1989, when he was party secretary general, he even openly opposed the constitutional amendment plan and the realignment of political forces, stirring controversy. Immediately after that, Yi, who had resigned as party secretary general, was asked by a WOLGAN CHOSON reporter, "Do you have a plan to declare yourself as a presidential candidate in a more unambiguous manner?"

He replied: "I find it premature, in part because of Korea's peculiar political climate. Under the present circumstances, the existence is more important than the essence of the matter. Suppose the essence is to aim at the presidency, then the existence is the position I am in now."

Also, commenting on the qualities that political leaders should have, Yi Chong-chan said:

"First, they must have the capability of realizing their ideals. If they have no ideals to pursue, they will end up being sham leaders; if they have ideals but are ignorant of realities, all they can be is activists or thinkers. Second, they must have a power base among the masses. Unless they enjoy popularity among the masses, they cannot be anything more than court politicians. Third, considering North-South relations, they should have a distinct nationalist trait."

For his invariably harsh and adamant appearance and speech, Rep. Yi Chong-chan is often said to be too calculating to be a great politician. Asked by a reporter about his past career in the then Korean Central Intelligence Agency [KCIA], in a 5 January MBC television program dealing with next-generation leaders, he answered, in effect as follows:

"It is a fact that KCIA had a hand in the nation's domestic administration, causing ill effects. However, my assignment was overseas affairs and had nothing to do with that sort of thing."

At the time of the 1971 presidential election, Yi Chong-chan was an assistant in charge of domestic political affairs for Kang Chang-song, KCIA assistant deputy director for security affairs. The ruling camp had been operating an election management committee, its members including the secretary general of the Democratic Republican Party and the secretary general of Chongwadae staff. Kang Chang-song was the manager of that strategic command and Yi Chong-chan's duty was to monitor developments in the election campaigns for reporting to Kang Chang-song daily.

"Rep. Yi's explanation was at variance with the facts," a political reporter said, "and my impression was that he was too egotistical."

To announce one's presidential candidacy means to get oneself in the spotlight of the press and public opinion, the scrutiny even reaching into hidden parts of the candidate's life. The moment Rep. Yi announces his candidacy, he will be exposing himself to such "scrutiny from every angle."

Yi Chong-chan took the first place in popularity both in the WOLGAN CHOSON poll of political reporters on "political leaders for the 1990's" and in the MBC survey of political scientists on next-generation leaders. In the five major local dailies' joint poll, he was in the fourth place only next to the three Kims.

Rep. Yi Chong-chan, while acting circumspectly, has succeeded in creating the image of next-generation leader for himself. There is no doubt that he will announce his presidential candidacy sometime this year. By organizing an "eight-man chamber," he is making his moves along that line increasingly visible. An advocate of the presidential system, Yi will attempt to challenge Kim Yong-sam in a DLP primary. The challenge will prove to be an easygoing one for him because even if he is defeated, he will likely emerge as No. 2 man—and the first to take the candidate spot for the presidential election after the next.

Next-Generation Leaders Selected by 200 Political Scientists (MBC Survey)

No.	Name	Popularity	Age	Party Affiliation
1.	Yi Chong-chan	35.5%	54	DLP
2.	Pak Chan-chong	24.5%	51	DP
3.	Yi Chol	19.5%	42	DP
4.	Yi Ki-taek	15.5%	53	DP
4.	No Mu-hyon	15.5%	44	DP
6.	Kim Yun-hwan	14.5%	58	DLP
7.	Hong Sa-tok	14.5%	47	DP
8.	Chong Tae-chol	13%	46	PPD
9.	Yi Pu-yong	10.5%	48	Reformist
10.	Cho Se-hyong	9%	59	PPD
11.	Cho Yun-hyong	8%	57	PPD
11.	Kim Won-ki	8%	53	PPD
11.	Kim U-chong	8%	54	Businessman
14.	Kim Pok-tong	6.5%	57	Ret. General
14.	Kim Kwang-il	6.5%	50	DP
14.	Pak Chol-on	6.5%	48	DLP
17.	Choe Yong-chol	5%	55	Pres. Aide
17.	Yi Hae-chan	5%	38	PPD
19.	Paek Ki-wan	4%	57	Reformist
19.	Kim Sang-hyon	4%	55	Former Rep.
19.	Ko Kon	4%	52	Former Seoul Mayor
19.	Kim Tok-yong	4%	49	DLP
19.	Che Chong-ku	4%	48	Reformist
19.	Yi Sang-su	4%	45	PPD
19.	Kim Chong-kil	4%	45	DP

Vulnerability of Ruling Party Assemblymen

Rep. Yi Chong-chan hit the point when he said that "the existence is more important than the essence of the matter." Assemblymen of the ruling party under the presidential system find themselves in a situation where their political life is virtually at the mercy of the president. The president not only controls the business of party endorsements for candidates at election times but also wields the sword of intelligence and investigation over ruling party politicians. Ruling party legislators invariably have weak points in connection with political funds and special interests; therefore, if any of them should fail to read the president's mind and go his own way, he will have to expect the sword falling on him from nowhere.

It is a matter of concern how the clique of Kyongbuk High School graduates—which controls the intelligence and investigative power of the Sixth Republic—will react when Yi Chong-chan openly launches his move for presidential candidacy. Yi might believe that once he attains his political growth as the two Kims did, his political influence then will protect him; however, it is unknown if he—at a time he lacks a power base among the masses comparable to what the two Kims have—can endure the check by the person in power only by relying on the backing by Kyonggi High School graduates, journalists, intellectuals, and part of the Seoul residents.

Possibly in part because of cultural difference between them, Rep. Yi Chong-chan, a graduate of Kyonggi High School, and those ruling party politicians who attended Kyongbuk High School are not close to each other in their human relationships. If the DLP primary should be fought between Kim Yong-sam and Yi Chong-chan, it is possible that the Kyongbuk High School alumni will come around and support Kim Yong-sam. Meanwhile, it can be expected that the Kim Chong-pil side will opt to rather support Yi Chong-chan, turning the primary into a showdown between the southern and central regions.

Incidently, the DLP constitution states: "A presidential candidate shall be selected by the approval of a majority of the registered delegates at a party national convention held 1 year to 90 days prior to the expiration of the president's tenure." The number of delegates attending the party convention is set at 7,000 or less—comprised of executive officials and staff members of the party central headquarters and regional chapters, National Assembly members, members of the local assemblies, a maximum of 300 nominated by the party Executive Committee, 20 elected at each of the municipal and provincial party conventions, 10 elected at each of the regional conventions, five recommended by each of the National Assembly members from regional constituencies, and a maximum of 500 elected by the party Central Committee.

This composition suggests that chairmen of the regional party chapters, incumbent members of the National Assembly and local assemblies wield the greatest influence in the selection of delegates to the national party convention.

The Kim Yong-sam side maintains a more or less easygoing attitude that he will be confirmed as presidential candidate with no difficulty by President No's nomination. It should be remembered, however, that in the 1970 New Democratic Party [NDP] primary, while Kim Yong-sam had been taking it easy as NDP President Yu Chin-san's nominee, Kim Tae-chung met individual delegates in person to canvass for their votes, thus undermining Kim Yong-sam's position and eventually winning a come-from-behind victory in the primary. It is a well- known fact that Rep. Yi Chong-chan has been paying great attention to the DLP's lower branches in recent years. [passage omitted]

[The coming gubernatorial and mayoral elections] will allow Kim Tae-chung to sweep the Honam provinces and control the executive power there, enabling him to directly participate in government to a significant degree. One cannot rule out the possibility that such development would make him more generous and change his thinking about the all-or-nothing type direct presidential election system.

Possibility of Kim Tae-chung Changing Himself

Kim Tae-chung definitely is the datum for all forecasts of political trends for the next two years. And the ruling party continues to pursue its political program on the premise that he will stick to the direct presidential election system. If there should be any change in the datum—namely if Kim Tae-chung should come around and accept the proposed cabinet system constitutional amendment—the political order in this country will inevitably be plunged into total confusion before a new order is established through realignment.

Then, is it possible for Kim Tae-chung to change his mind and accept a cabinet system? An analysis of the pattern of his political activities indicates that he is a pragmatist rather than a man dedicated to moral obligations, that he has never drastically changed his political line and lost followers.

In a TONG-A ILBO interview on 26 December 1988, Kim Tae-chung denounced the proposed cabinet system constitutional amendment, labeling it as "conceived by people who cannot even learn a lesson of yesterday."

He said: "It is not even a year since they yielded to the pressure from the people and accepted the direct presidential election system. And they are again attempting to change the system. What do they think the people are? They cite regional sentiment as an excuse. Then, why do they have regional parties in West Germany despite its cabinet system and why was local sentiment never an issue under the president system of the Syngman Rhee days? The question is not system but the motive and policy of the ruler."

Kim Tae-chung, at a meeting with President No Tae-u on 10 March 1989, gave his agreement to the "postponement" of the mid-term appraisal of No's performance that had been virtually "canceled." A month later, he hinted at his readiness to accept the proposed cabinet system plan by telling reporters that "if the cabinet system constitutional amendment proposal is officially presented, I will see how public opinion reacts and follow a party decision," and that "both the cabinet system and the presidential system are democratic systems. Therefore, whichever we choose, we should follow the will of the people. If the cabinet system plan is officially presented, and if public opinion supports it, we can consider it."

At the time, some alleged that in return for his agreement concerning the mid-term appraisal issue, Kim Tae-chung reached a secret deal with President No on overall political management, even including the question of the next presidency, and that Kim Tae-chung's references to the cabinet system issue signal the start of the carrying out of that deal.

As long as Kim Tae-chung has the backing of those who believe that "it is in our interest that Mr Kim Tae-chung comes to power one way or another," he is allowed to change his political line or even to make a U-turn in pursuit of his pragmatic interests without being bound by any moral obligations.

The question is if Kim Tae-chung can put himself in objective perspective and pursue his pragmatic interests with cool-headed calculations. The longer time he takes for correct assessments of the situation, the fewer options will he find for him. In short, if he should wait until after the 14th general election to find that he has no chance of success in a presidential election, it would be too late for him to do anything.

If he should continue to support the proposed cabinet system constitutional amendment, he would unwittingly be endorsing the majority party's, namely the DLP's, continued stay in power. If both the DLP and the PPD should fail to emerge as a majority party in the 14th National Assembly, it could lead, one may predict, to the possibility of them forming a coalition government and agreeing to the cabinet system constitutional amendment. In that case, they would have to face opposition from forces backing up the ruling camp—the military and big businesses. Once the local assembly elections are over, it would be extremely difficult for Kim Tae-chung to recognize his limitations. Even if the PPD suffers a miserable defeat, he could comfort himself and say that "there is the election for the National Assembly yet to be held ... "; if the PPD wins, he will push on for the presidential system. There is the possibility of victory in the local autonomy system elections proving to be a trap for Kim Tae-chung.

At the time of 13th presidential election, candidate Kim Yong-sam was still confident of his victory even on the voting day, while Kim Tae-chung had pursued the strategy of securing the runner-up position for himself since the early December 1987, concentrating on attacking Kim Yong-sam. It shows how Kim Tae-chung was ahead in the ability of reading the situation.

Kim Yong-sam's Dagger

Kim Yong-sam reportedly said on a private occasion: "For political advances in our country, I must have a showdown with Mr Kim Tae-chung. We have never had an opportunity for a full-scale one-on-one to date, have we? In the last presidential election, my campaign was against candidate No and I never attacked Kim Tae-chung." He is said to be full of fighting spirit. If Kim Tae-chung should shift to the side of the cabinet system constitutional amendment in the 14th National Assembly, it is highly possible that Kim Yong-sam will either drive a wedge in the amendment move while sticking to the direct presidential election system or break with the DLP. He will not after all just sit idly by to watch the DJP and NDRP factions of the DLP and the PPD collaborate for the cabinet system constitutional amendment.

All this shows that the two Kims have two cards each. The first cards are open and identical in that both support the presidential system; however, the second cards are both kept secret for use at a time the rival side attempts to take power. The second cards, comparable to a dagger, can be used only once—with a deadly result on the rival's political life.

A major historical event is often the result of misjudgment by one side combined with the willpower of the other. The 12 February 1985 general election showed the result of the misjudgment by the Chon Tu-hwan government combined with Kim Yong-sam's election participation theory. The Chon government had figured that it could divide the opposition into two—the Democratic Korea Party, a kept party, as No. 1 opposition party and the New Democratic Party, a clear-cut opposition party, as No. 2—while Kim Yong-sam maintained that there would be a revolution occurring during the election.

No Tae-u's victory in the 16 December 1987 presidential election is attributed to the confidence on the part of the Chon Tu-hwan government and the misjudgment by the two Kims. The Chon government, figuring that there would never be unity between the two Kims, had accepted the direct presidential election system while the two Kims misjudged, each thinking that he could win even if they ran separately.

The DJP lost its majority status in the 26 April 1988 general election as the result of the misjudgment by the No Tae-u government—which was overconfident with the traditional thinking that the single-seat constituency system is in favor of the ruling party—coupled with Kim Tae-chung's will power in carrying through the single-seat constituency system even under the pressure of those demanding transfer in generation.

The question of who will take power next will be decided by the interaction between Kim Yong-sam's conviction that Kim Tae-chung can shift to the pro-cabinet system side and Kim Tae-chung's will for power that he can overcome his regional limitations through the local autonomy system elections and the National Assembly election.

A specialist of the Gallup Korea Institute of Public Opinion said: Regional sentiment remains an overwhelming factor determining the Korean people's political views. Education and living standards are virtually irrelevant. There is only one more factor, a minor one, which is the difference in view by age. [passage omitted]

Firms Show Loss of Profitabiltiy, Rise in Debts

SK1603075291 Seoul YONHAP in English 0553 GMT 16 Mar 91

[Text] Seoul, March 16 (YONHAP)—Turnover increased 18.4 percent last year for South Korean companies, but net profit rose only 0.6 percent because of lack of equity, high financing costs and a quantity-oriented export drive, the Taesin Economic Research Center said Saturday.

Taesin said the turnover of 401 listed companies that close their books in December was 125.09 trillion won (172.54 billion U.S. dollars), up from 105.67 trillion won (145.75 billion dollars) in 1989.

The growth was impressive given the adverse economic climate of sluggish exports and higher energy costs induced by the Gulf crisis, it said.

Net profit was 2.45 trillion won (3.38 billion dollars), however, up 0.6 percent from 2.44 trillion won (3.36 billion dollars). Manufacturing firms saw their profits shrink 6.1 percent despite a rise in turnover of 18.1 percent due to increased borrowing necessitated by the economic slowdown.

The debt to equity ratio reached 2.02-to-1, up from 1.68-to-1, and financing costs including interest swelled 22.1 percent to 3.31 trillion won (4.57 billion dollars).

Exports by manufacturing, trade and construction firms totaled 39.16 trillion won (54.01 billion dollars), up 10.2 percent. They shrank from 35.7 percent of turnover, however, to 33.3 percent, reflecting an economy growingly dependent on domestic sales.

Last year's construction boom brought building companies unprecedented prosperity, pushing turnover up 32.8 percent and profits up 623.7 percent. Most of the work was at home, however, with the construction of satellite cities and expansion of roads and harbors.

Also in high gear were transportation equipment businesses, which saw sales rise 72.8 percent and profits 31.4 percent on a surge in domestic demand created by the development of new cars.

Banks registered a 24.1-percent increase in turnover and a 40.9-percent rise in profits because of massive paid-in capital increases and higher interest income. In the machinery industry, brisk facility investment boosted sales 24.8 percent and profits 25.8 percent.

Also doing well were food, paper and pharmaceuticals, riding on active private consumption and domestic demand.

Sluggish exports cut profits in the electronic industry by 27.8 percent despite a sales increase of 13.3 percent, and profits in the trade industry fell 46.2 percent against a jump in sales of 15.2 percent.

Think Tank Predicts Continued Economic Growth

SK2003070891 Seoul KOREA DAILY in English 20 Mar 91 p 12

[Text] A government think tank forecast that Korea's current account will turn into the black by 1993 and continue a growth pattern that will produce a surplus 6.9 billion dollars by 1996.

This prediction was made yesterday in a seminar on "Preliminary Trade Policy During Korea's Seventh 5-Year Economic Plan (1992-1996)," hosted by the Korea Institute for Economics and Technology (KIET).

KIET further predicted that Korea's exports will grow at an average of 12.4 percent annually during the period, while imports will increase 10.2 percent.

The country's trade volume will exceed 100 billion dollars by 1995 and continue going beyond 120 billion dollars by 1996, when the plan will be completed.

The optimistic assessment means that Korea will become the world's 10th largest trading country by 1996 with a surplus of 8.5 billion dollars in its trade account, KIET said.

Meanwhile, KIET predicted that Korea will suffer a current account deficit of 2 billion dollars and a trade deficit of 1.6 billion dollars in 1992, the first year of the economic plan.

Last year, Korea's current account ran a deficit of 1.8 billion dollars after a deficit of 5.1 billion dollars in 1989, while suffering a deficit of 1.7 billion dollars in its trade account.

The state-run government think-tank also said that Korea's top priority in trade policy during the period has to be placed on boosting exports, while pursuing a balanced growth between export and imports.

Korea will have to restructure its export industries, putting more emphasis on automobile, hi-tech electronics, machinery and petrochemical industries.

KIET also urged the government to push the contribution ratio of heavy and chemical industries to exports upward to 60 percent.

Touching on Korea's heavy reliance on the United States for exports, KIET pointed out that the government should diversify its overseas markets.

AFTAK Predicts Imports Will Decline in Apr

SK2103090891 Seoul YONHAP in English 0848 GMT 21 Mar 91

[Text] Seoul, March 21 (YONHAP)—South Korean imports will begin to fall in April, led by machinery, steel and metals, the Association of Foreign Trading Agents of Korea (AFTAK) predicted Thursday.

The import leading index, which forecasts imports two or three months ahead, was 92.15 in February, down from 102.81 in January, AFTAK said. The index is based on 100 in December 1990.

Offers amounted to 4.19 billion U.S. dollars last month, down 490 million dollars from January, and import licenses to 4.87 billion dollars, down 1.14 billion dollars, the assocation said.

The index rose for mining products (159.37), agricultural, forestry and fisheries products (76.47) and electric and electronic products (101.19), but sank for machinery (73.55), steel and metals (76.63), chemical products (87.7), textiles (95.44) and sundries (40.68).

Sulfur, manganese steel and iron led the gains in mining, and raw hide, sugar, timber, tallow and frozen fish headed the agricultural sector. A sharp fall was predicted for machinery, steel and metals. Textiles and chemical products were also sluggish.

Consumer goods made solid gains, boosted by an increase in offers for some agricultural items following recent import liberalization. Low oil prices reduced the offered value of raw materials.

The setback in imports was attributed to lower oil prices, expectation of a technical slowdown due to recent import rushes and stagnant imports of facility goods.

Burma

NLD Officer Myint Myint Khin Resigns

BK2003143191 Rangoon Domestic Service in Burmese 1330 GMT 20 Mar 91

[Text] The Commission for Holding Multiparty General Elections has issued Press Release No. 6/91 on 20 March 1991. The press release reads:

The commission has put on record the following submissions from some parties registered with this commission concerning the resignation of members of central executive committeess and change of address of headquarters.

1. U Khin Maung, deputy chairman of the National Democratic Party for Human Rights, has been allowed to resign.

2. Daw Myint Myint Khin, member of the Central Executive Commitee of the National League for Democracy, has been allowed to resign.

3. Wa National Development Party has moved its headquarters to No. 36, Thayar Street, Ward No. 1, Lashio, Shan State from No. 52, Byuhar Street, Ward No. 1, Lashio, Shan State.

Official Addresses Meeting on 'Steep' Rice Prices

BK2003153591 Rangoon Domestic Service in Burmese 1330 GMT 20 Mar 91

[Text] A meeting to coordinate rice procurement, storage, milling, transportation, and distribution was held at the conference hall of the Trade Ministry at 1400 today. Major General Tin Tun, secretary-2 of the State Law and Order Restoration Council, addressed the meeting.

In his speech, Maj. Gen. Tin Tun explained that the meeting was being held to discuss measures to stabilize and bring down the prices of rice which is the main staple food, and called on those present to contribute to the aims of the meeting by presenting their frank views. He added that Senior General Saw Maung, chairman of the State Law and Order Restoration Council, has from time to time been giving advice regarding the systematic procurement, storage, milling, and distribution of essential foodstuff, such as rice, oil, and salt, without making the peasant producers suffer or the consuming public pay high prices.

Rice prices, he noted, have slightly risen in the past few days. We have been given to understand that there is a shortage of rice and that rice prices are steep, particularly in upper Burma and the Shan State regions. In addition, we have been hearing about reports that quotas of rice and oil being distributed to the public service personnel will be reduced. Such rumors are totally groundless. We have sufficient rice for public consumption and there should be no concern about this. We must make cooperative efforts to bring down the rice prices. This is not to operate at a loss but to reduce service costs as much as possible. Although calls for democracy are being made in our country, the fact remains that people still want to retain the privileges given under socialism. It will not do for the state to sell commodities at a loss as was done during the socialist era. However, after we assumed the responsibilities of the state, we made arrangements to facilitate transportation and sold goods not only through the trade and cooperatives outlets but through the Defense Services relief shops as well in order to ease the food, clothing, and shelter needs of the people. In addition, we arranged free transportation for public service personnel and also raised their salaries. Not all democratic countries will provide such facilities. It is vital to understand that we are doing our best to help the public service personnel and the people.

Next, Brigadier General Abel, minister of planning and finance and trade, spoke about the measures introduced to stabilize rice prices, and the present rice milling and storage conditions.

Later, Brigadier General Maung Maung, chairman of the committee for stabilizing prices and regulating and facilitating the distribution of goods, explained work relating to his committee.

Next, officials of departments concerned explained in detail rice procurement, storage, milling, and distribution, matters concerning transportation, and measures to make available electrical power, diesel oil, and gasoline.

Following the explanations, the secretary-2 and the minister presented their views regarding the measures to stabilize and bring down the rice prices. Secretary-2 Maj. Gen. Tin Tun then gave a closing speech before the meeting concluded at 1800.

We understand that presently, peasants are voluntarily selling their paddy to the Trade Department, and as a result, more than 98 percent of the procurement target has been fulfilled so far. Cooperatives and the No. 2 Joint Venture Corporation are also continuing to make efforts to fulfill their procurement targets.

Aviation Talks Held With Philippine Delegation

BK2003135891 Rangoon Domestic Service in Burmese 1330 GMT 19 Mar 91

[Text] Mr. Sefarino L. Benedicto, chairman of the International Chamber of Trade of the Philippines, and his entourage, in the company of Ms. Rosalinda V. Tirona, Philippine ambassador to the Union of Myanmar [Burma], called on Lieutenant General Tin Tun, member of the State Law and Order Restoration Council and minister of transport and communications and labor and social welfare, at the ministerial offices at 1330 today.

During the meeting, frank and cordial talks were held on matters concerning bilateral cooperation in the transportation field and on matters concerning exchanging flights between Myanmar Airways and Philippines Airlines.

Brunei, Malaysia & Singapore

Malaysia

PRC Minister Explores Aviation Cooperation

BK1903095091 Kuala Lumpur BERNAMA in English 0859 GMT 19 Mar 91

[Text] Kuala Lumpur, March 19 (OANA-BERNAMA)—China is exploring the possibility of cooperation in the field of aerospace and aviation technology with Malaysia, its minister of aerospace and industry, Lin Zongtang, said Tuesday.

Speaking to newsmen after on the minister of international trade and industry, Rafidah Aziz here, Lin said that China had 40 years' expertise in the industry and employed [number indistinct] people manufacturing about 10,000 different types of aircraft. [sentence as received]

He believed that there was "bright future" for cooperation in this field and felt that it was necessary for Malaysia to develop an aviation industry.

He also said he discussed with Rafidah the possibility of selling Chinese-made planes to Malaysia.

Minister on 'Strained' Ties With Australia

BK1903141291 Kuala Lumpur Domestic Service in English 1330 GMT 19 Mar 91

[Text] The foreign minister, Datuk Abdullah Ahmad Badawi, says Malaysia will study ways to improve ties with Australia. He said Malaysia had no reason not to establish or improve ties with other countries if they wish to do so as it was Malaysia's policy to have friendly and cordial relations with any country. He said Malaysia's policy to have ties with other countries is based on respect and to avoid getting involved in the domestic affairs of the other country.

Datuk Abdullah Ahmad Badawi was speaking to reporters when asked about relations between Malaysia and Australia, reported to be strained in recent months. [Words indistinct] be any reason can be considered to be out of disrespect or belittling Malaysia's position or institution, of course it will affect relations. He also said he would have to see whether he could normalize relations between the two countries. He added that to be friendly must not be at the expense of Malaysia's interests.

Rulers Give to Red Crescent Gulf Victim Fund

BK2003081491 Kuala Lumpur BERNAMA in English 0747 GMT 20 Mar 91

[Text] Kuala Lumpur, March 20 (OANA/BERNAMA)—The Conference of Rulers has donated M$100,000 (U.S.$37,037) to the Gulf war victims fund launched by the Malaysian Red Crescent Society (MRCS).

The Yang Di-pertuan Agong (King) Sultan Azlan Shah Wednesday handed over a cheque for the amount to MRCS chairman, Tunku Mohamed Tunku Besar Burhanuddin.

Tunku Mohamed said with the donation from the Conference of Rulers, the MRCS had collected a total of M$223,000 (U.S.$82,590) for the fund.

The Government of Malaysia donated M$100,000 and the other M$23,000 (U.S.$8,510) came from various organisations and the public, he added.

The money collected by the MRCS would be sent directly to the headquarters of the league of Red Cross and Red Crescent Societies in Geneva.

The MRCS was the first member of the world organisation from a developing country to organise the fund raising campaign, Tunku Mohamed added.

Mahathir on 'Northern Triangle' Economic Zone

BK2103090891 Kuala Lumpur International Service in English 0800 GMT 21 Mar 91

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed has given the green light for the proposed development of an economic cooperation triangle involving Malaysia, Indonesia, and Thailand. The proposed Northern Triangle, similar to the concept of the economic growth triangle involving Johor Baharu, Singapore, and Indonesia's Batam Island, will link Penang, Medan and Aceh in northern Sumatra, and Phuket in southern Thailand under a coordinated economic program.

The Malaysian ambassador to Indonesia, Datuk Abdullah Haji Mohamed, said the cooperation is likely to begin soon, given the close understanding between leaders of the countries to further forge economic ties for mutual benefits. He was speaking at the foundation stone-laying ceremony for the Malaysian Consulate General's office in Medan. On the decision to build the 3 million ringgit office in Medan, he said it was prompted by economic and trade considerations in view of the importance of the province to Malaysia.

Singapore

Further on Defense Exhibition Opening

OW2003080291 Tokyo KYODO in English 0625 GMT 20 Mar 91

[Text] Singapore, March 20 KYODO—The first major defense exhibition in the region since the end of the Persian Gulf war opened in Singapore on Wednesday with more than 160 companies from 26 countries participating.

The four-day exhibition, "Defense Asia 91," displayed high-tech weaponry and armaments, including those which were deployed in the Gulf war.

Besides defense industry personnel from the Asia-Pacific region, defense officials from Australia, Brunei, China and Myanmar [Burma] are also expected to attend the exhibition.

The STRAITS TIMES DAILY reported on Wednesday that many of the firms are planning to seek partners in the region for joint production deals.

Jacques Gentgen, the executive vice president of Giat Industries, a major French weapons manufacturer, told KYODO NEWS SERVICE his company was interested in forging a long-term relationship with Singapore defense companies, including forming joint ventures for production.

China Shipbuilding Trading Co. Vice President Li Jian said his company wanted to promote sales of its warships in Southeast Asia.

Asia Urged To Foster Economic Cooperation

BK2103120391 Singaproe THE STRAITS TIMES in English 20 Mar 91 p 24

[Text] Asia-Pacific countries cannot ignore the trend towards greater economic co-operation in Europe and among the North American countries, Foreign Minister Wong Kan Seng said yesterday.

While the Asia-Pacific countries had each achieved tremendous successes largely on its own, they could do much more together.

Their challenge now was to transform the whole region through greater economic linkages and appropriate cooperative structures and institutional frameworks that tapped its full potential "so that the 21st century will indeed be the century of the Asia-Pacific".

ASEAN countries also needed to explore new approaches to regional security and consider expanding the traditionl ASEAN dialogue with major trading partners to powers such as China, the Soviet Union and India that had an interest in the region.

Mr Wong was responding to queries from MPs [Members of Parliament] Ng Pock Too (Nee Soon Central), Lau Teik Soon (Serangoon Gardens) and Charles Chong (Sembawang GRC [Group Representatives Committee]) on how Singapore was to reconcile its global outlook with the trend towards regionalism in the world.

He noted that apart from the Gulf conflict, there were threats to the liberal multilateral trading system that Singapore and other countries in the region had to respond to by expanding their linkages with all major economic groupings and business partners.

Citing the Asia-Pacific Economic Co-operation Forum, the East Asian Economic Grouping proposed by Malaysia and the ASEAN-United States Initiative, he said these and growth triangles were all part of the basic building blocks of complementary informal and institutional economic linkages.

He added that there was no reason why the Indochinese states and Burma (Myanmar) could not join these groupings once they had adopted policies which brought them economically and politically closer to other countries in the region.

In his speech, Mr Wong stressed that Singapore's ties with its ASEAN neighbours, in particular Indonesia and Malaysia, remained the fundamental pillars of its foreign policy.

He reiterated too that "tried and tested arrangements" for regional security such as the Five Power Defence Arrangement and the maintenance of the US presence must also be sustained.

At the same time, the vast changes in the world required new approaches from ASEAN and other countries.

While the region was largely free of the kind of tensions that beset areas such as the Middle East, peace and stability could not be taken for granted, he said.

The relatively smaller states must recognise that there were at least four major powers—the US, Soviet Union, Japan and China—present in full force in the region, with a fifth, India, emerging as a major regional power.

The countries must accept that in the "inevitable contest for power and influence" among the powers, the region would be used as an arena as in the past.

"We must be realistic that history is made by the interactions among major powers", he added.

ASEAN countries had a vested interest in engaging in a full-scale dialogue with them "to ensure that South-east Asian concerns are taken into full consideration as these major powers map out their strategies in the coming decade".

The minister noted that there had been several proposals in recent years on how to strengthen security, not only in South-east Asia but the wider Asia-Pacific region as well.

Suggestions had come from Australia and Canada, from the Soviet Union and also Malaysia and Indonesia.

ASEAN should consider all these proposals, he said.

"We must be prepared to explore multiple approaches for regional security which will accommodate the big and small regional countries in a constructive framework that will minimise conflict and encourage dialogue, confidence and co-operation".

The long-term security of the region were "best served by having an engagement of all powers, large and small, if necesary in overlapping and multiple security and political frameworks".

Cambodia

Phnom Penh Welcomes Continuity of Thai Policy

BK2003153491 Hong Kong AFP in English 1527 GMT 20 Mar 91

[Text] Phnom Penh, March 20 (AFP)—A senior Foreign Ministry official here welcomed Wednesday reports that Thailand would maintain contacts with the Phnom Penh Government.

Deputy Foreign Minister Phy Thach also accused the three-party resistance of hardening their position through a meeting recently in Beijing.

The official said reported statements in the press by Thai Foreign Minister Asa Sarasin that the new government would not change its predecessor's policy towards Phnom Penh "replies to our hopes."

"I think if the Thai minister said this...it reflects his good intention to continue the path taken by the old government" toppled in a recent coup, he said.

But Mr. Phy Thach added that Phnom Penh must verify the reports before giving its official position as other sources had indicated a hardening in Bangkok's position towards this government.

Mr. Sarasin is a member of the provisional government formed after the ouster last month of Chatchai Chunhawan in a military coup.

He was quoted in the Thai press as emphasizing "that Thailand will not cut off contact with Phnom Penh. We will also pursue the same line of diplomacy as the previous government."

The Thai official said Bangkok would treat the Phnom Penh Government on an equal footing with each of the four Cambodian resistance parties.

"It is most encouraging to see the continuation of de facto contact," Mr. Phy Thach said.

Asked about Mr. Sarasin's recent remarks that Bangkok would not pursue a plan by Mr. Chatchai's government to open a trade office here, Mr. Phy Thach said that as far as he knew nothing official had been decided.

He said it apeared that Kraisak Chunhawan, son and advisor to Mr. Chatchai, had sent a message to Deputy Foreign Minister Sok An, mooting the idea.

Phnom Penh welcomed the idea of setting up a Thai trade office here, the official said, while noting that "Mr. Kraisak cannot play the representative of the Thai Government."

Mr. Kraisak promoted better ties with Phnom Penh and his father often stated his plan to turn Indochina from a battlefield to a marketplace.

But Mr. Phy Thach reckoned that the new Thai Government would "reconsider some (policy) points" and probably "wants to explore the ground first."

The Foreign Ministry official also said the resistance meeting March 13-15 in Beijing was "a hardening of their position in the process towards a political solution."

He added that China, main backer of the resistance, was encouraging the resistance to prolong the peace process, which is currently stalled by Phnom Penh objections to a UN peace plan.

Phnom Penh and the resistance have accepted most fundamental points in the plan, which envisages a large UN role here ahead of and during elections, but this government says the blueprint does not provide adequate measures against a return to power by the Khmer Rouge.

The Marxist faction spearheads the resistance military machine and ruled Cambodia through terror from 1975 to 1979.

Heng Samrin Reiterates Support for Peace Plan

BK2103093191 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Mar 91

[Summary from poor reception] A ceremony was held on the morning of 20 March to inaugurate a primary school and an infirmary in Kaoh Mreah Commune, Lvea Em District, Kandal Province, under the chairmanship of "Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the State of Cambodia's Council of State." Also present were "Comrade Sar Kheng, member of the party Central Committee, chef de cabinet of the party Central Committee, and chairman of the Central Organization Commission; Comrade Yos Son, member of of the party Central Committee and education minister; Comrade Yim Chhaili, member of the party Central Committee and health minister; Comrade Lieutenant General Ke Kimyan, member of the party Central Committee and first deputy defense minister; Comrade Im Chhunlim, member of the party Central Committee and first vice chairman of the party Central Committee's cabinet; Comrade Major General Loy Siphat, deputy interior minister; Comrade Tram Iev-toek, deputy communications, transport, and posts minister; Comrade Min Khin, chef de cabinet of the National Council of the Kampuchean United Front for National Construction and Defense; Comrade Vorng Sot, secretary of the Kandal provincial party committee; Comrade Chea Chhoem, deputy secretary of the provincial party committee and chairman of the provincial people's committee; and Comrade So Sam-ol, secretary of the provisional party committee of Lvea Em District."

[Begin Heng Samrin recording] We meet today to inaugurate new achievements of Lvea Em District. I would like to express thanks for a warm welcome. On this joyous occasion we still recall the destruction and hardship of the period under the genocidal Pol Pot regime.

Our policy has contributed to the all around development in the district, particularly in the educational and public health sectors. "All levels of the state authorities and people here, teachers, and students should cooperate in safeguarding these achievements."

Since the Vietnamese troop pullout from Cambodia, the tripartite enemy, including Pol Pot and his allies, namely Sihanouk and Son Sann, has never left us in peace. The enemy continues to oppose our people's rebirth "aimed at toppling the State of Cambodia and paving the way for the genocidal Pol Pot regime to return to seize control over Cambodia again." The enemy has intensified attacks against some areas along the border without any consideration to the people's lives and property. "Our forces, however, continue to be firmly in control."

"Our National Assembly recently convened an extraordinary session to discuss issues relating to the search for a solution to the Cambodian problem and highly agreed on a principled stance in the struggle for a reasonable and just political solution to the Cambodian problem, namely:

"1. A comprehensive political solution to the Cambodian problem should have concrete measures to prevent the return of the genocidal Pol Pot regime, which the entire Cambodian people hate and fear.

"2. The political and military status quo should be maintained until the establishment of a new government through free and proper elections.

"3. The important role of the United Nations in a solution to the Cambodian problem should be in accordance with the UN Charter and the principle of respect for Cambodia's sovereignty and the Cambodian people's right to self-determination. The role of the United Nations in a solution to the Cambodian problem should be defined by the Supreme National Council, which represents Cambodia's sovereignty.

"On this occasion I would like to appeal to the other Cambodian side to show genuine goodwill in the search for a political solution; end hostile activities against its own nation; and hurriedly go to the negotiating table in order to continue talks on the essential points of the draft agreement aimed at quickly ending the national conflict and bringing genuine peace to the motherland and the people.

"At the same time, I would like to appeal to compatriots living abroad and in refugee camps on Thai territory to strive to contribute to supporting the State of Cambodia's stance in the search for peace for the nation and country. In particular, compatriots who are in the ranks of the other Cambodian side, please realize and consider national interest first and stop using arms to cause destruction among your own people. Please quickly return to the nation and society and contribute to building and developing the country and bringing happiness.

"From this podium I would like to express congratulations to the international community for actively contributing to the search for a just and durable political solution to bring peace to the Cambodian people as well as contributing to the safeguarding of peace and stability in the region. I appeal to the international community to provide assistance and support to the five-point appeal made by Comrade Chairman of the Council of Ministers Hun Sen on 7 March 1991 on the convening of a meeting of the Supreme National Council; a voluntary cease-fire; an end to military aid; an end to the transport of weapons and war materiel through to Cambodia; and the sending of fact-finding missions to refugee camps and zones under the other side's control to assist in achieving quickly a comprehensive political solution to the Cambodian problem."

"I firmly believe that all of the compatriots will continue to expand the nationalist spirit and this hard-working tradition to defend and constantly develop our villages and districts to appropriately contribute to our common cause to struggle." [applause] [end recording]

Report on Battle Successes in Week Ending 14 Mar

BK2003143391 Phnom Penh Domestic Service in Cambodian 1300 GMT 20 Mar 91

[Text] In the week ending 14 March, our Cambodian People's Armed Forces from all units on frontline battlefields upheld their mastery in counterattacking the enemies who foolishly harassed our positions and attempted to infiltrate our territory for the purpose of destroying and plundering property and food as well as endangering our people's tranquility.

As a result, our forces put out of action 195 enemy soldiers—71 killed, 110 captured, and 14 who were forced to surrender. They also seized 99 assorted firearms, 26 tonnes of ammunition, three field radios, and a good deal of war material.

Resistance Forces Urge Paris, Jakarta Meetings

BK2103013091 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Mar 91

["Communique of the Cambodian National Resistance Forces"]

[Text] 1. Leaders of the tripartite Cambodian national resistance forces headed by Samdech Norodom Sihanouk, president of Cambodia and leader of the Cambodian national resistance forces, would like to express joy and satisfaction over the international community's desire for a comprehensive political solution to the Cambodian problem based on the UN peace plan and the framework of the Paris International Conference on Cambodia [PICC].

2. Leaders of the tripartite Cambodian national resistance forces once again appeal for the convening of the coordinating committee of the PICC quickly in accordance with the 23 December 1990 Paris joint statement. To achieve this goal, leaders of the tripartite Cambodian national resistance forces would like to once again renew their

support for the initiative of the cochairmen to organize a meeting in Jakarta of the two PICC cochairmen and members of the Supreme National Council.

3. Leaders of the tripartite Cambodian national resistance forces would like to once again express the most profound gratitude to the international community for the support and assistance to the Cambodian people's just cause to win back Cambodia's national independence and sovereignty.

[Dated] 19 March 1991

VOK: Son Sann Views UN Plan, SRV Role

BK2103101191 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 20 Mar 91

["Second message of His Excellency Son Sann, president of the Khmer People's National Liberation Front and prime minister of the Cambodian National Government, to the clergy and Cambodian compatriots"; date not given—recorded]

[Text] Greetings to the respected clergy and beloved compatriots. In my message the other day I recalled that Hanoi has annexed the whole of Champa, and then our Kampuchea Kraom. Now Hanoi wants to achieve the goal of former President Ho Chi Minh who wanted to incorporate Vietnam, Cambodia, and Laos into a federation under Hanoi's control, according to which our Cambodia would be another Kampuchea Kraom.

To achieve this the north Vietnamese used every opportunity to weaken our country before invading it. All of you clearly remember that in 1970 the Hanoi Vietnamese cooperated with the Khmer Rouge, beefed up the latter's troops, and gave them a lot of weapons to fight against the republican troops of General Lon Nol. At that time the North Vietnamese let the Khmer Rouge massacre our innocent people. After that, they used the Khmer Rouge's genocide and international condemnation as a pretext to invade and annex our Cambodia. The Hanoi Vietnamese are now warning people about the Khmer Rouge's return to power and are using this pretext to remain in Cambodia and force our compatriots under the leadership of the Phnom Penh regime—which listens too much to Vietnam—to attack the troops of the nationalist resistance fighting to liberate our country from the Vietnamese aggressors. To this day the Hanoi Vietnamese continue to force and find a pretext to make Cambodians kill Cambodians. The Khmer Rouge are seriously guilty. Cambodians do not want the Khmer Rouge to return to power. International opinion also condemns the Khmer Rouge because of genocide. The Khmer Rouge are seriously guilty; however, the North Vietnamese are even more guilty in massacring our people.

Please read the book by Dr. Isman Di Richeney who worked in Cambodia for a couple of years. He has written a book entitled the "Bamboo Curtain" in which, as a witness, he said the Vietnamese forced Cambodians to work in the jungles along the Cambodian-Thai border; millions died; and that since 1979 Vietnam has wanted to annex Cambodia and has brought over Vietnamese settlers to Cambodia, over a million of them, some say nearly two million. These settlers have plundered our most fertile land and resources—rubber, fish, gemstones, and timber. The Vietnamese have encouraged Cambodians to carry out genocide.

Clergymen and beloved compatriots, the UN Security Council [UNSC] and the UN General Assembly have agreed on a comprehensive political solution of the five major powers to solve our problem. The five major powers worked hard in 1990 to prepare this comprehensive political solution. There are four Cambodian parties. Three parties within the rank of the resistance to liberate Cambodia—namely the party of Samdech Sihanouk, the Khmer People's National Liberation Front, and the Khmer Rouge—have fully accepted the UN solution worked out by the five major powers.

Now the world has clearly seen it. Previously, there were some doubts; but now it is clear. Countries which in the past wanted to help Vietnam now clearly realize that the obstacle to achieving a comprehensive solution worked out by the five major powers is Vietnam and the Phnom Penh regime. I have already informed you about this.

Before going to the four-party meeting in Jakarta on 10 September last year, the cochairmen, Ali Alatas and Mrs Edwige Avice; Hanoi, Vientiane, and Phnom Penh held a long discussion on this comprehensive political solution of the five major powers. The Vietnamese side, Phnom Penh, and Vientiane said this solution should not be accepted. If a UN control committee or international or UN peacekeeping forces were in Cambodia, they would realize that tens of thousands of Vietnamese troops are still there, along with commandos hidden in the jungles and those wearing Cambodian uniforms in Phnom Penh. Over a million Vietnamese settlers in Phnom Penh and all over Cambodia would be uncovered. This is why Vietnam, Vientiane, and Phnom Penh want to destroy this comprehensive political solution of the five major powers. They realize, however, that the United Nations and the international community have fully accepted this comprehensive political solution; there is thus no way to oppose it. Therefore, the representatives of Hanoi, Vientiane, and Phnom Penh have agreed to block this solution; if they cannot oppose it, at least they will delay it from being implemented immediately in Cambodia.

Greetings to the clergy and beloved compatriots. All of us as Cambodians do not have a problem of choices like Vietnam. We do not have to choose between Vietnam and the Khmer Rouge; we do not have to choose between plague and cholera. We have to liberate our country from the Vietnamese aggressors and afterward we must prevent the Khmer Rouge from returning to power through force.

U.S. President George Bush, talking about Kuwait and Iraq, said aggression using force to annex a small neighboring country is unacceptable; setting up a puppet regime in Kuwait is also unacceptable. As all of you know, the U.S. President put together a mighty international army to force Iraq to accept the decision of the UN Security Council and completely withdraw from Kuwait.

You have seen that it was only about a month and a half of fighting. It was not even a real war, only planes were sent out on bombing missions, and the real war lasted 100 hours and Kuwait was liberated. This is an experience and a lesson for the Vietnamese aggressors to learn from.

Now, returning to our Cambodia, the United Nations and UN General Assembly have, since 1979, voted to adopt the ASEAN-sponsored resolution calling on Vietnam to completely withdraw from Cambodia under UN supervision. Last year the five major powers agreed on a comprehensive solution to the Cambodian problem. This solution takes into account the view of our Cambodian people—that is, that there should be a cease-fire, all foreign troops should be withdrawn from Cambodia under UN supervision, and that UN international forces should be dispatched to Cambodia to assist in keeping the peace, disarming the four Cambodian parties, and organizing general elections with the Cambodian Supreme National Council so our Cambodian people can decide Cambodia's destiny and vote to elect representatives they like. For this election to be genuinely free, Vietnamese troops and settlers should all be withdrawn from Cambodia; the troops of the four Cambodian parties should be disarmed; and the United Nations and representatives of the four Cambodian parties should be in charge of administrative tasks relating to general elections in Cambodia so the elections will be held in a neutral atmosphere.

The Phnom Penh regime, however, in consultation with Vietnam and Laos, has always tried to block this UN political solution and kept demanding that the UN role in Cambodia be restricted; that there should not be a lot of UN peacekeeping troops; and that international forces in Cambodia should be limited. More than this, the Phnom Penh side has opposed UN assistance in organizing the Cambodian administration and disarming the Phnom Penh forces, using the pretext that the Khmer Rouge would seize power again. In fact, the United Nations wants to disarm all four Cambodian parties; no party is spared.

Furthermore, I am puzzled. We want UN assistance to help all of us, the four Cambodian parties, to organize general elections in a neutral atmosphere. How can this be done if the United Nations and the four Cambodian parties cannot work together in administering ministries involved in the election? How can the United Nations force out the Vietnamese troops and illegal settlers from Cambodia and enforce the disarming process and the cease-fire if the United Nations cannot stay for long with an adequate role and without sufficient power. If we want peace, we should accept that our forces should be disarmed. All parties in the conflict, the four parties and the Vietnamese, should be disarmed. If one party refuses to be disarmed, how can other parties be forced to lay down weapons?

I have appealed many times already. I would like to inform leaders in Phnom Penh about this. If you want to fight on to prevent the Khmer Rouge from entering Phnom Penh and seizing power, this is wrong thinking. If you want to continue fighting to prevent the Khmer Rouge from entering Phnom Penh, in my view you are opening the door for the Khmer Rouge to enter Phnom Penh. The Vietnamese aggressors have been in Cambodia for over 11 years; they have enormous fire power; they have tanks, artillery, and all types of aircraft. Yet they have failed to eliminate the Khmer Rouge over the past 11 years. How can Phnom Penh affirm that it can destroy the Khmer Rouge, who have had experience in jungle war for over 20 years and with sufficient ammunition to intensify the attacks? The Khmer Rouge have discipline. We all know this. We also know that there are some Khmer Rouge forces around Phnom Penh—you all know about this, they are only about 50 km from Phnom Penh.

I would like to specify that in Cambodia no one wants the Khmer Rouge to be in power again. In my view, leaders in Phnom Penh listen too much to the Vietnamese and have opposed a comprehensive political solution by the five major powers. You listen to the Vietnamese who want Cambodians to kill Cambodians and they say that one day you will see the Khmer Rouge enter Phnom Penh and seize power again, and all our Cambodian people will be victims again.

Clergymen and compatriots, please be informed. I have already reminded you. Thus, I would like to end now because it is time to stop. In a third message later on I will discuss with compatriots about what we should do to bring peace to Cambodia so our compatriots have long-lasting peace and genuine independence for our country.

I beg to take leave for now.

Indonesia

Ministers on Possible Return of Ex-PKI Members

BK2003104691 Jakarta ANTARA in English 0741 GMT 20 Mar 91

[Text] Jakarta, Mar 20 (OANA-ANTARA)—Home Affairs Minister Rudini said here Tuesday evening that there was no need to worry about the return of ex-members of the Indonesian Communist Party (PKI) from abroad as they would have to undergo thorough investigation first.

"The investigation by security officials and the court would reveal whether or not they were guilty of taking part in the September 30, 1965 coup attempt," the minister told newsmen. Rudini did not mention the exact number of ex-PKI members abroad now but he said their number was only a few and mostly were of advanced age.

Foreign Affairs Minister Ali Alatas, during the coordinating meeting on political affairs and security Monday, reported about the wish of some former members of the now defunct party overseas to return to Indonesia.

Coordinating Minister for Political Affairs and Security Sudomo, commenting on the report, said they could come back to Indonesia as long as they were ready to stand trial and follow all the existing regulations in the country.

On those who were abroad to study when the September 30, 1965 putsch attempt took place, he said: "They could report to the Indonesian embassies in the country where they studied."

If in five years (after 1965) they failed to do so, they would automatically lose their Indonesian citizenship.

Sudharmono's Role in Exposing Bank Scandal Viewed

BK2003105091 Hong Kong AFP in English 0901 GMT 20 Mar 91

[By Alain Boebion]

[Text] Jakarta, March 20 (AFP)—Vice-President Sudharmono has stoked the embers of a giant financial scandal linked indirectly to the Indonesian leadership, prompting questions on the use of public funds a year ahead of general elections.

The former ruling party leader revealed that irregularities in state financing has cost Indonesia 520 millions dollars last year and that 420 million dollars had been used to prop up the privately-owned Bank Duta.

Indonesia's second largest commercial bank is controlled by and manages the assets of three charity foundations headed by President Suharto and Mr. Sudharmono's revelations sparked a major controversy over the use of public money for private profit.

The bank was saved from liquidation in October after heavy losses in foreign currency speculation prompted its near collapse, Mr. Sudharmo said on Saturday. The source of the cash injection which bailed out the bank has never been clarified publicly.

For three years, Mr. Sudharmono has been responsible for an anti-corruption drive, and press reports here said government officials had classified the bank rescue as a corruption case which is under investigation by the Justice Ministry.

The money was injected into the bank, observers noted, in the midst of a heated debate over the establishment of a committee responsible for organizing next year's crucial parliamentary elections. The new parliament will in turn decide whether to reappoint Mr. Suharto as president or choose his successor if, as he has hinted, he decides to step down in 1993 after 26 years in office.

Indonesian MP's—including at least one member of the ruling Golkar Party, which Mr. Sudharmono headed before becoming vice-president in 1988—reacted angrily this week to the announcement of a publicly-funded bailout. Indonesian Democratic Party MP Budi Hardjono demanded that the government provide a "clear definition of what state money is."

After the bank rescue, government sources said only that it was saved by "generous benefactors," three of whom were identified in press accounts as powerful industrialists close to the president.

Until October, the bank was headed by Bustanil Arifin, the minister of cooperatives and a confidant of the president. Mr. Arifin, who was removed from the bank's board but retained his government post, denied Tuesday that "public funds had been used to refloat the bank." Foreign banking officials were unconvinced, however, and some estimated Bank Duta's true losses were more than 600 million dollars.

The scandal "is only the tip of the iceberg" and shows "obvious double bookkeeping," said one foreign banker. "It's the logical consequence of chronic inexperience in the Indonesian private banking sector." Western businessmen say one result has been more expensive credit in Indonesia.

Mr. Sudharmono's current post of vice-president is more ceremonial than political but in the past, given his considerable influence from 11 years as Golkar general-secretary, he was frequently touted as a possible future president. Apparently considering him a threat, military officials led an organized campaign to discredit him by claiming he had been a member of the Indonesian Communist Party, which was banned in the 1960s. Mr. Sudharmono denied the accusations.

Philippines

'Cause-Oriented' Groups Protest U.S. Presence

HK2103095891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Mar 91

[By Restie de Quiros from the Senate—live]

[Text] We are here in front of the Senate building where representatives of different cause-oriented groups are presently giving speeches criticizing the continued presence of the U.S. military bases in the country. We have gathered from one of the protest leaders, Crispin Beltran, that they will continue giving their speeches until 6 p.m., and from here they will proceed to the U.S. Embassy at Roxas Boulevard to continue their speeches. They are holding a cultural concert at P. Burgos Street which depicts American involvement in the Philippines. A while ago, Ka [Comrade] Bel and other representatives, including youths, delivered speeches. Anti-American placards are all over the place. They also have a huge eagle effigy which they will burn later on as a show of their continued protest against the U.S. military bases retention in the country.

Cabinet Discusses 'Undue Haste' in Camp Turnovers

HK2103050191 Quezon City MALAYA in English 21 Mar 91 p 2

[By Chit Estella]

[Text] Is the United States being less than gracious in the manner it is relinquishing its military installations to the Philippines?

President Aquino and Cabinet members who met in Malacanang yesterday to discuss the turnover of the Capas Naval Radio Transmitter facility last January and the impending turnover of Camp John Hay seem to believe this is so.

They believe there was "undue haste on the part of the U.S." to vacate the Capas installation when its forces withdrew two months before the announced date and then notified the Department of Foreign Affairs [DFA] about the withdrawal on that same day.

In a report presented to the Cabinet, the Department of National Defense [DND] said it was advised by the U.S. last May that it was closing down the Tarlac station in March this year. Drawdown of forces would begin in June 1990. But, the DND noted, "apparently, the U.S. accelerated the drawdown and physically relinquished and vacated (the Capus facility) on Jan. 31, 1991."

Although the Filipino command in Clark Air Base organized last Jan. 14 a unit consisting of one officer and 28 enlisted personnel to secure the facility, the U.S. reportedly accepted only the officer and eight of the enlisted men. When the US decommissioned the facility on Jan. 31, it was on that same date that the U.S. Embassy notified the DFA. By that time, the DND said, "mass intrusion and pilferages had become serious."

To date, however, the goverment continues to await the reply of the U.S. embassy to the DFA's queries regarding the official drawdown and turnover dates, the sale or donation of the movable facilities to prevent a disruption in Camp John Hay's operations, and the timing of the deployment of the blue guards before the official turnover date.

When asked if there was bad faith on the part of the U.S. in the way it left the Capas station and informed the Philippine government, Tourism Secretary Rafael Alunan III, also spokesman for the Philippine panel in the bases talks, said, "No comment."

In a related development, the Philippine Tourism Authority which is taking over the operations of Camp John Hay has appropriated the initial amount of P [Philippine peso] 50 million for that rest and recreation facility. It is also setting aside another P50 million for capital improvements such as security fencing and housing and the purchase of replacement fixtures and other movables which the U.S. may dismantle.

The Commission on Audit, meanwhile, approved the DOT [Department of Tourism] proposal to undertake negotiated contracts during the first 18 months of the Philippine government's takeover of Camp John Hay. Alunan, however, said the contracts wil be good only for six months and renewable for another six. After the eighteenth month, all contracts for the facility will have to undergo bidding. Alunan also gave the assurance that workers to be displaced by the pullout of U.S. personnel in Camp John Hay will be absorbed by the new management.

Approves Plan for Camp John Hay

HK2103045791 Manila PHILIPPINE DAILY INQUIRER in English 21 Mar 91 pp 1, 8

[Text] The Cabinet approved last night a nine-point plan aimed at ensuring a smooth turnover of Camp John Hay in Baguio City from the United States to the Philippine government on July 1.

Defense Secretary Fidel V. Ramos said after the Cabinet meeting at the Palace that the government drew up the plan to avoid the bad experience at the naval radio transmitter facility in Capas, Tarlac. When the U.S. Navy suddenly vacated the camp last Jan. 31, the Philippine government was caught unprepared. Looters struck and cleaned the place of everything that could be carried away.

The nine-point plan for John Hay's conversion to Philippine use is:

"Secure legal authority for the conversion process; Department of Foreign Affairs should secure from the U.S. the official notification when the U.S. would vacate the premises; Secure John Hay from squatters, pilferers and illegal loggers; maintain and operate built-up areas; validate non-removal items on inventory; address squatter problem; secure early disposition of all ancestral claims and completion of land research; rehire displaced John Hay workers; and preserve John Hay's watershed areas."

Capas and Camp John Hay are among the six U.S.-held military facilities in the Philippines that will be returned to Philippine authority upon the termination of the RP [Republic of the Philippines]-US Military Bases Agreement this Sept. 16, unless a new treaty is forged extending the U.S. stay.

Meanwhile, Labor Undersecretary Bienvenido Laguesman said the 500 Filipino workeres at Camp John Hay will be retained by the Philippine Tourism Agency [PTA].

Laguesma, who heads the Philippine panel in the R.P.-US Joint Labor Committee, said that their retention is in line with the memorandum of understanding drawn up by the Federation of Filipino Civil Employees Association [FFCEA], which among others requires the Department of Tourism, the PTA's mother agency, to hire Filipino base workers displaced when the bases are shut down. The PTA has been assigned to manage and operate the 695-hectare golf course-sports recreation center.

The memorandum, which is already in effect although it is yet to be signed, likewise gives Filipino employes the "right of first refusal" to jobs that will be generated in the event that the tourism department leases the recreation center to private firms.

Tourism Undersecretary Rafael M. Alunan the other day announced that seven multinational and local firms have offered to operate Camp John Hay, one of Baguio City's tourism landmarks.

President Aquino has ordered the Philippine Amusement and Gaming Corp. to absorb at least 200 camp employes.

Roberto Flores, FFCEA president, said the memorandum was drawn up as "we do not want to similarly experience what happened in Capas." When the Capas facility was closed down, 120 Filipinos lost their jobs. Flores said the government was caught flatfooted when U.S. base authorities "unilaterally" phased out the relay station and another naval station in San Antonio, Zambales last Feb. 28. He said the government was also not able to take a "positive step" on the plight of employes who were dislocated. Around 300 of the 500 Filipino employes in the Zambales naval station were affected by the phase-out, he said. Flores said the federation is trying to assist these workers through its placement programs.

Meanwhile, labor department sources said that U.S. military authorities reportedly plan to cut by 25 percent the number of its workforce in all its facilities in the country this year. The sources said the plan to reduce the number of its workforce was prompted by the budget cuts implemented by the U.S. Department of Defense.

Malacanang To Conduct Survey on Bases Treaty

HK2103043191 Manila THE MANILA CHRONICLE in English 21 Mar 91 pp 1, 8

[By Lito Zulueta and Bert Castro]

[Text] A survey on the forthcoming bases treaty to help the Senate in its task of ratifying the document will be conducted by Malacanang, Press Undersecretary Horacio Paredes said yesteday.

The survey will be part of an "information campaign" to acquaint the people on various aspects of the treaty, he said. In turn, the information campaign is part of "public consultations" to be conducted by the palace on the issue, he added.

Executive officials will be told to fan the provinces to campaign for the ratification of the treaty, Paredes said. He likened this to the massive information campaign conducted by the delegates to the 1986 Constitutional Commission to have the charter they drafted ratified. "This time, it will be better," he said.

The press official said the survey would "probably get the sentiments of the people" on the treaty. "The results of the survey will guide the senators in their decision whether to ratify or not the treaty," he explained. Paredes insisted that the consultations on the bases would be "non-binding." "We will only be doing our duty to inform the people," he said.

Some senators have looked with suspicion on the call to hold consultations on the bases treaty especially since the proposal has come from the House which is perceived to be pro-bases. Speaker Ramon Mitra, for one, has called for a "non-binding referendum" on the bases treaty prior to Senate ratification.

Malacanang, which in 1989 expressed no objection to the proposal for referendum, has lately shifted its stand. This time, it is supporting non-binding consultations on the bases, not a referendum, and taking care to stress that the Senate has prerogative in the ratification on any bases treaty that may be forged.

Last Tuesday, senators who met with President Aquino reportedly said they had no opposition to public consultations on the bases although some said they should be funded not through government money. But Paredes said consultations are as much a prerogative of the President. "We don't need senators to tell us what we can do. It is our duty to talk to the people. The Executive is supposed to do that. How can we do this if we have to go to the Senate everytime so that we can use the money to allow us to perform our tasks," he said. Paredes said it is the President's duty to campaign for the ratification of any treaty.

Former member of the constitutional commission Jose Nolledo warned President Aquino she might be courting impeachment charges if she pushes through her planned consultation.

Senator Pimentel Airs Views on Bases Retention

HK2103101391 Manila Manila Broadcasting Company DZRH in Tagalog 0030 GMT 21 Mar 91

[Interview with Senator Aquilino Nene Pimentel, president of the Philippine Democratic Party-Laban, by Joe Taruc on "Liberty in Action" program—live; italicized passage in English]

[Excerpts] [Passage omitted] [Taruc] Suppose the Senate ratifies a military bases treaty with the United States, and consultations or a referendum on it show that the people are opposed to the treaty, what are the implications of this?

[Pimentel] Of course, Joe, if the people reject the treaty, then we should abide by their sentiments, because that is what our masters like, *and the people are our masters. On the other hand,* of course, when the military bases are no longer here, some people are saying that there will be displacement of workers. So we are suggesting that the alternative uses of the military bases should be prepared as early as now. [passage omitted]

[Taruc] Our people are having second thoughts about the retention of the U.S. military bases because of the very low compensation offer of the Americans. What will happen if a treaty cannot be agreed upon?

[Pimentel] [passage omitted] You know, Joe, this is confusing because there is this Ramos-Schultz agreement which states that when the military bases term expires on 16 September 1991, and another treaty has not been entered into, the U.S. military bases may remain in the country for at least one year to give them time to be phased out. [passage omitted]

Soviet Aircraft Lease Offer 'Purely Commercial'

HK2103042791 Manila BUSINESS WORLD in English 21 Mar 91 p 12

[By Jose G. Ebro]

[Text] There were purely commercial aims behind the Soviet offer to lease advanced fighter aircraft to the Philippines, new Soviet envoy Vitaly Koutchouk told reporters in a limited briefing the other day. He maintained, however, that the move was not incompatible with general Soviet aims for military reductions in the region.

"What is behind our offer to lease fighter aircraft to the Philippines is primarily economic motivation, we have no hidden strategic aims in that," he said.

"We are prepared to assist the Philippines in any way to create its own defensive capabilities. We are ready to train your pilots, who are very good," Mr. Koutchouk said, nothing that Air Force Gen. Gerardo Protacio "was expertly flying one of our Sukhoi aircraft the other day." He recognized, however, that "there is a very close association between the Philippines and the Americans and that the Philippine military is more familiar with American hardware."

"There are preliminary discussions on a joint venture with us for the Philippines to produce a single-engine jet trainer aircraft (similar to the Italian Sia-Marchetti S2-11)," the Soviet diplomat disclosed. A senior Air Force officer confirmed this, noting there was a possibility that "we can use an American powerplant in the airframes we get from the Soviets."

If one notes that the country's lack of external capability has been used as a compelling reason to retain the U.S. military presence, the Soviet offer to address this deficiency could be aimed at encouraging a reduced American strategic presence. "We want everybody in the Asia-Pacific region to reduce military, including ourselves, not just the Americans. It's just too expensive for us to maintain large forces," Mr. Koutchouk said.

However, an atmosphere of military reductions could only take place "through confidence-building measures," he said. "We do not mean that countries should liquidate their arsenals. Our basic concept is that each country's forces are insufficient to attack others but sufficient to defend itself," he explained. As to its own defense sufficiency, "the Philippines is naked in that respect," Mr. Koutchouk observed.

The Soviet Union is prepared to back ASEAN aims at achieving a zone of neutrality in the region, he stressed. "We want to have inputs from all the states in the region on how they want to see stability guaranteed and then, we want to be part of it," Mr. Koutchouk said, nothing that the forthcoming security dialogue in Manila would be a good opportunity to enunciate basic principles which could conceivably lead to a treaty down the road. "We also have an interest in keeping sea lines of communication open, we have a lot of traffic between the Black Sea and Vladivostok," he said.

Aquino Considering 6 for Top Military Post

HK2103045991 Manila PHILIPPINE DAILY INQUIRER in English 21 Mar 91 p 6

[Text] At least five major generals and one brigadier general are being considered by President Aquino to replace Armed Forces chief Lt. Gen. Rodolfo Biazon when he retires next month, the INQUIRER learned yesterday.

Ms. Aquino is seeking a replacement for Maj. Gen. Gerardo Protacio, who is also retiring next month as Air Force chief.

Leading the list of contenders is Maj. Gen. Guillermo Flores, the AFP [Armed Forces of the Philippines] vice chief of staff, who is the most senior among the candidates. The others are Armed Forces deputy chief of staff Maj. Gen. Alexander Aguirre, Army chief Maj. Gen. Lisandro Abadia, navy chief Rear Admiral Mariano Dumangcas and Brig. Gen. Arturo Enrile, superintendent of the Philippine Military Academy.

Maj. Gen. Loven Abadia, Air Force vice commander, heads the list of candidates for the top PAF [Philippine Air Force] position.

Army To Focus on External Defense; Cut Proposed

HK2103043391 Manila THE MANILA CHRONICLE in English 21 Mar 91 p 9

[By Joey Caburnida]

[Text] The size of the Philippine Army will be cut as it shifts its thrust from counter-insurgency to the country's external defense, said its chief, Maj. Gen. Lisandro Abadia.

The present force of 75,000, he said, will be reduced to 60,000 by the end of 1992 as threats from communist guerrillas and right-wing rebels diminish.

"The new configuration of the army for external defense will be that of a professional, lean, compact and mobile army," Abadia told reporters in a briefing yesterday at Fort Bonifacio. With a lean and compact army, he said, the organizational manning and equiping of troops will fully complement each other. And by having a mobile force, he added, deployment of troops will be easier.

"We are looking well forward into the post-insurgency era when the Communist Party of the Philippines and the New People's Army [NPA] have been decimated and the secessionist and the ultra-rightist movement will have run out of complaints as a result of economic and political developments and diplomatic initiatives," Abadia said.

The army chief said to achieve this plan, they have also designed training that would complement and supplement both the regular and reserve forces. He said the reserve forces, which will be organized, trained and equipped not only in manpower but also on effectiveness, proficiency, responsiveness and dependability, will cease to be a "paper tiger."

The army's reduction in size, Abadia said, is "inevitable." He said so far, "the command setup has not been touched except in the small unit levels. command changes may be done in the interest of the mission. This is the overriding considerations if and when such changes occur." He explained that the communist guerrillas will no longer be a threat to the country's security by the end of 1992 following the dismantling of at least 70

of all NPA guerrilla fronts nationwide.

From 1988 to 1990, he said, the army had broken up 30 guerrilla fronts out of the original 72 fronts across the country. Today, he added, the army needs only to dismantle 20 more rebel fronts to increase the eliminated fronts to 70%, and thus give the military "strategic victory" against insurgents. Military officials said the number of communist guerrillas fell from 25,000 in 1987 to just over 17,000 by the end of 1990.

Abadia said the AFP [Armed Forces of the Philippines] had cleared central and southern Luzon and Leyte of NPA rebels, and is now concentrating in Pampanga, northern Luzon, Samar, Negros and Zamboanga peninsula.

Last year, army units dismantled 13 guerrilla fronts in northern Luzon, including Marag Valley in Kalinga-Apayao and Abra. In northern Luzon, Abadia said the plains of Ilocos provinces and Cagayan Valley were cleared of rebels who fled to the Cordillera mountains. In Zamboanga peninsula, the rebels were pushed to the nearby eastern provinces.

Aquino's Brother Calls Coup Threat 'Good'

HK2103044191 Manila THE MANILA CHRONICLE in English 21 Mar 91 p 9

[Text] The constant threat of another army coup is good for the Philippines because it keeps the people and the government on their toes, the leader of the country's largest political party said yesterday.

Rep. Jose Cojuangco, President Aquino's younger brother and secretary-general of the ruling Laban ng Demokratikong Pilipino (LDP) [Struggle of Philippine Democrats] party said the country was undergoing a difficult transition from authoritarian rule. He said the 1992 presidential elections would be crucial for the future of democracy in the Philippines. "It's when the people feel that the ballots do not work that the bullets will come in," he said in an interview.

Cojuangco said he did not think army rebels who have already tried six times to overthrow Mrs. Aquino had the support to stage a successful coup. "However, the threat will always be there and I think it's good to have the threat there. It keeps the people jumpy," he said. Coup threats also discouraged corruption, he added.

Cojuangco said Filipinos should be aware that democracy in their country could disappear. "Everybody has to contribute to have a stable...deep-rooted freedom," he said. "This (coup threat) also could be the means for people to start looking at the wrongs of the government and make them correct those wrongs. This could also discourage some people from (engaging in) anomalous deals."

Despite Mrs. Aquino's insistence that she would not seek reelection, Cojuangco said he would not discount the possibility of her changing her mind and running for a second term. "That's a possibility that I never remove," he said, though he refused to speculate on conditions under which she would run. "It's got to be an extreme case where it's only her that can unify the country or something along that line," he said.

Cojuangco predicted a realignment of forces and intensified political activity in the Philippines in the coming months as a dozen presidential aspirants gear up for the May 1992 polls.

Manila newspapers have said at least three people could fight for the LDP nomination, including Speaker Ramon Mitra, Executive Secretary Oscar Orbos and Defense Secretary Fidel Ramos.

Cojuangco dismissed speculations that the battle for the party nomination would fragment the LDP, which controls 150 of 200 seats in the House of Representatives and 54 of the country's 77 gubernatorial seats.

Editorial on Aquino Endorsement for 1992 Election

HK2103045191 Manila THE MANILA CHRONICLE in English 21 Mar 91 p 4

[Editorial: "Presidential Kiss of Life and Death"]

[Text] The move to make President Aquino declare her endorsement of a presidential candidate in the 1992 election is premature. It appears to be based on the assumption that an early disclosure of her preference would establish the axis on which political realignment would be drawn. But, correctly, the President is not snapping the bait.

Any politician, especially the President, who is also the nominal leader of the majority party, with a shrewd tactical intuition is aware of the risks of revealing one's cards prematurely. Although the political campaign season has started early and about 10 people are emerging as probable presidential nominees, there is no one clearly leading the pack. This is still the stage of elimination, and it does not benefit the President to identify her preference now. Surely, there is a lot of common sense to say that, if she backs someone, he would be a person who looks like a winner. No one loves a loser. This is a basic fact of political life.

An early endorsement curtails the president's flexibility. Party conventions are still months away. She can, no doubt, influence the convention of the Laban ng Demokratikong Pilipino, but there is the danger that she would run counter to the mood of the convention. An early endorsement could also restrict the convention's flexibility.

An early endorsement can be both helpful and a kiss of death. Today, trustworthy public opinion surveys show that the President's popularity is negative. This is especially true in Metro Manila, which leads public opinion in this country. While it is true that, according to these surveys, she has maintained a core support of approval of about 20% across the nation, this loyal but slender constituency is not reassuring. Anyone she supports now will carry a bag of mixed blessings. The ineptitude of her government can be a stigma to a candidate identified with her administration, at a time when the so-called "Cory magic" has vanished. On the other hand, such a candidate could have the built-in benefit of access to the government's patronage resources.

There is, we believe, a more profound reason why the President is withholding the bestowal of her blessings until the presidential field clears up a bit. The reason is that the President has indicated several times that she would like to leave the nation a legacy of a robust democracy underpinned by a strong economy.

If the economy continues to pick up strength by the end of the year, her popularity can only increase, in which case her endorsement could influence the party convention and help the chances of her candidate. Therefore, this all boils down to the performance of the economy. At this stage, her capacity to influence events is close to naught. Provided that the economy performs well, biding her time is probably the wisest political tactic.

Multisectoral Group Urges Amnesty Proclamation

HK2103044991 Manila MANILA BULLETIN in English 21 Mar 91 p 13

[Text] The 6th Multisectoral Citizens' Crisis Forum has proposed to President Aquino "to fill the legal vacuum by issuing a new presidential proclamation on amnesty" noting that "proclamation No. 80 as amended, expired on Feb. 29, 1988, and subsequent issuances are mere administrative guidelines for the processing of amnesty applications."

In a resolution sent to President Aquino yesterday, Vice President Salvador H. Laurel, forum leader, also said that the nature and extent of such amnesty—whether conditional, unconditional, general or selective—should be resolved by the President and Congress in accordance with Article VII Section 19 of the Constitution.

At the same time, the forum urged that this political solution be accompanied by immediate structural and institutional reforms "responsive to the legitimate grievances that have given rise to the repeated armed challenges to the government."

"Pending the implementation of such reforms," the forum stressed "all persons under detention for alleged crimes against public order be accorded their full constitutional rights, particularly the right to be informed of the charges against them, the right to a speedy trial, the right to counsel, the right to bail, the right to be immune to cruel and unusual punishment, and the right to be released when no charges are filed against them within the period prescribed by law."

The resolution was the consensus arrived at during the forum's 6th multisectoral dialogue on "The imperatives of national unity" held at Club Filipino in Greenhills, San Juan March 14. In proposing the resolution, the forum noted that "national unity can only achieved by a political, not by a military solution."

Farmers Striking for Higher Support Prices

HK2103045591 Manila THE MANILA CHRONICLE in English 21 Mar 91 p 1

[By Elizabeth Perez]

[Text] Some 100,000 farmers in the country are threatening to stop delivering their produce to the markets unless the government raised its support prices for corn and palay [unhusked rice].

Already, some 10,000 farmers from Davao and South Cotabato have refused to sell their produce to commercial and government traders, said Nilo Oracion, Kilusang Magbubukid ng Pilipinas (KMP) [Peasants Movement of the Philippines] national auditor.

For his part, Agriculture Secretary Senen Bacani said inadequate funds prevent him from increasing the support prices of palay and corn even if he wants to. He said the DA [Department of Agriculture] had asked for a P7.2-billion budget from Congress this year but the department was only given P4.8 billion. Earlier, Malacanang had also rejected Bacani's requst to increase the P1 billion government subsidy for rice farmers.

Oracion said in a press conference yesterday that the strike has already affected 16 towns in South Cotabato and five towns in Davao. The formers are demanding a P2-per-kilo increase in the support price for corn and a P1.50-per-kilo increase in the support price for palay.

If the government insisted on its procurement prices of P6-per-kilo for palay and corn, the farmers said they would hold their produce and will not pay their irrigation fees. Farmers pay about three and a half sacks of palay for every irrigated hectare of land. The farmers also threatened not to send their children to school this coming June if the government fails to grant their demand, Oracion said.

The Federation of Free Farmers (FFF) also said that farmers in Occidental Mindoro, Iloilo and several provinces in Luzon are also growing restive over the government's inaction on the issue of higher support prices.

Yesterday, farmers belonging to the Damayan ng Magsasaka sa Palayan ng Laguna [Brotherhood of Laguna Farmers] an affiliate of the KMP, went to the DA to seek an increase in the support price of palay.

Estanislao on Monetary Targets Under IMF Program

HK2003034791 Manila BUSINESS WORLD in English 20 Mar 91 pp 1, 5

[By Alex B. Reyes]

[Text] The country will comfortably meet the March 1991 fiscal and monetary performance targets under its economic stabilization program [ESP] with the International Monetary Fund, Finance Secretary Jesus P. Estanislao said.

Passage of the first quarter 1991 performance criteria will enable the country to draw on the roughly $70-million second tranche from the $916-million standby arrangement facility from the IMF and further boost its international reserves.

In a memorandum to President Aquino, Mr. Estanislao said the budget surplus that was sustained in the first two months of the year is the main factor that will enable the Government to stay on target.

From January 1 to end-February, the National Government posted a surplus of P [Philippine peso] 3.71 billion, an excess of P12.68 billion compared to the P8.97-billion deficit that it had earlier programmed for the period.

Total revenues from all collecting agencies reached P35.93 billion or P6.87 billion above target, while total expenditures were held at p32.22 billion, P5.81 billion below target.

With the budget surplus, gross domestic borrowings were limited to P6.63 billion, compared to a programmed p16.38 billion for the period. Despite indications that the program is biting and that fiscal controls are working, Mr. Estanislao stressed that Government cannot relax as yet.

"To be sure, (the surplus) is a temporary phenomenon. It does not signal that we can let our guard down. But it does indicate we can, with relative ease, meet our end-March 1991 performance targets." He added that with the strong performance on the fiscal side, Government can subsequently negotiate on an easing of terms under the ESP.

Earlier, Mr. Estanislao told BUSINESS WORLD that a sustained improvement in the fiscal position will enable Government to loosen up on the stabilization measures. Whereas the emphasis at the beginning of the year was to err on the side of tightness, there is now more room to ease up on the overall program. "If we must err, we can now err on the side of easing," he said.

Although Mr. Estanislao did not disclose the monetary growth targets, a sign that Government is well within monetary targets is the continuing downtrend in interest rates. In past performance reviews, interest rates spiked every quarter whenever Government was racing to catch up with its IMF targets.

The Finance chief said the budget surplus of the National Government [NG] was reinforced by a net flow of resources from the external sector of P4.5 billion. "Added together, the NG had P8.2 billion that it did not have to borrow. This has enabled us to pressure interest rates down."

Thailand

Asa, SRV Envoy Discuss Cambodia, Relations

BK2103013191 Bangkok THE NATION in English 21 Mar 91 p A5

[Text] Vietnam is dispatching a vice foreign minister to Bangkok next month to follow up on the proposed summit meeting between the two countries' prime ministers, an informed source said yesterday.

The source said that the minister could be either Vu Khoan or Le Mai, who would discuss bilateral ties with Thai officials and prepare for a summit between Prime Minister Anan Panyarachun and Vietnamese Prime Minister Do Muoi. The summit proposal, which was planned during the Chatchai government, was revived two weeks after the caretaker government was formed.

During a courtesy call yesterday, Foreign Minister Asa Sarasin assured the Vietnamese Ambassador Nguyen Trung that strengthening bilateral ties with Vietnam remained a top priority for Thailand, according to Foreign Ministry spokesman Sakthip Krairoek.

"Good relations between Thailand and Vietnam will be crucial for peace and prosperity in the region," he quoted Asa as saying.

The spokesman said Asa and Nguyen Trung exchanged views on ways to boost relations and on regional issues, including the 12-year-old Cambodian conflict. They also discussed ways to promote economic cooperation, including concluding an investment protection agreement and another on the avoidance of double taxation.

The spokesman said that these two agreements could be signed before or during the scheduled summit.

Asa appealed to the Vietnamese envoy that an early settlement of the Cambodian problem would allow countries in the region to focus on trade and economic cooperation, Sakthip said.

Thailand and Vietnam, he said, should encourage the four Cambodian factions to attend new meetings of the members of the Supreme National Council, which was formed last September to represent Cambodia's sovereignty.

In a separate interview, Nguyen Trung said that Vietnam supported peace plans for Cambodia under the framework of the Paris peace conference. The envoy said that Thailand and Vietnam will support the co-chairmen of the conference, Indonesia and France, in their effort to end the Cambodian conflict.

Troops 'Completely Withdrawn' From Lao Border

BK2103035791 Bangkok Voice of Free Asia in English 1500 GMT 20 Mar 91

[Text] Thai troops have completely withdrawn from the once disputed Thai-Laotian border area, but Laotian forces would not complete their withdrawal until next week.

The last of the Thai Third Army Region unit deployed at Ban Rom Klao in Phitsanulok over the past two years left the border village on Tuesday. However, the joint regional Thai-Lao coordinating committee agreed that each side will inspect each other's withdrawal operations on 4 April. The Thai and Laotian forces have been deployed in standout positions along the common border since the dispute erupted over the four villages.

Colonel Thongwan Sridawong, deputy head of the Laotian side of the joint coordinating committee, said an estimated 2,000 Laotian troops attached to two regiments would begin pulling out of the border areas today. Delays in the Laotian troop withdrawal were largely due to geographical difficulties in transporting armed forces and combat equipment.

The joint coordinating committee will meet again next Tuesday in Nong Khai to discuss mutual inspection of the border areas. Laos has agreed to a Thai proposal that reporters be allowed to accompany committee members on the inspection tour.

Thailand's Army Commander-in-Chief Suchinda Khraprayun and Laotian Armed Forces Chief of Staff Sisavat Keobounphan last week agreed that the bilateral withdrawal would be followed by expanded trade across the border. Laos wants to supply Thailand with timber and forest products and has also requested Thai Airways International flight to Vientiane to promote tourism.

In another development, Supreme Commander and National Peacekeeping Council Chairman Sunthon Khongsomphong is scheduled to visit Laos on 26 April.

Trade Expected To Increase

BK2003024191 Bangkok THE NATION in English 20 Mar 91 p A1

[By Kokhet Chantaloetluk]

[Text] Thai-Lao trade activity is expected to be given a fresh impetus following the completion of the military pullback from the disputed common border because Army Chief Gen Suchinda Khraprayun had signed an agreement to promote bilateral trade with Laos during his recent visit there, a Lao military officer said.

Col Thongwan Sridawong, a Lao officer participating in a meeting yesterday with his Thai counterparts on the progress of the pullback, told reporters that the agreement signed by Suchinda and his Lao counterpart on March 11 would remove all restrictions to bilateral trade. All goods would be traded as a result, he said, referring to a ban imposed by Bangkok for many years on the export of certain strategic goods to Laos. He said the two sides would also consider opening more border passes to facilitate bilateral trade.

The two governments will also set up a joint economic cooperation committee both at the governmental and local levels, Col Thongwan said. He claimed that Suchinda and Lao leaders also agreed in principle that Lao refugees in Thailand would be given the freedom to choose whether they would stay in Thailand, return to Laos or leave for a third country for resettlement.

The officer said Vientiane would seek cooperation from the Thai military in its military campaign against about 5,000 rebel troops led by rightwing former army officer Gen Vang Pao. "For the sake of our friendship, the two sides should help crack down on the rebels," he said.

Maj Gen Wirot Watcharawat, leader of the Thai military delegation, told reporters that Supreme Commander Gen Sunthon Khongsomphong, who is also chairman of the National Peacekeeping Council, will visit Laos on April 26 to follow up on the trip to the country by Gen Suchinda.

Gen Suchinda and Lao military chief Sisavat Keobounphan reached an agreement last week to pull back their troops along the border as a way to promote bilateral trust. The pullout began on March 13.

Thailand and Laos were involved in fighting at Ban Rom Klao in Phitsanulok's Chat Trakan District three years ago following conflicting claims over the area located between the border village and Ban Boten of Laos' Sayaboury province. Hundreds of soldiers and heavy weapons were reportedly withdrawn on Monday from the Ban Rom Klao area, which is populated by about 600 villagers of mostly Hmong ethnic extraction.

Former Chatchai Aide Receives Asylum in Germany

BK2103020591 Bangkok BANGKOK POST in English 21 Mar 91 p 1

[Text] Maj-Gen Manun Rupkachon, wanted for questioning concerning an alleged assassination plot against Her Majesty the Queen, has received political asylum in Germany, an informed source said.

This is the second time Maj-Gen Manun has sought—and received—sanctuary from the Germans. The former close aide of deposed prime minister Chatchai Chunhawan fled the country a few days after the National Peace- Keeping Council [NPKC] seized power on February 23, the source said. He is now in Dusseldorf, the source said. The source said another close associate of Maj-Gen Manun, Manatchai Supphamit, has already been granted political asylum in an "undisclosed country in Asia." Mr Manatchai is one of nine people linked to Gen Chatchai who were blacklisted by the NPKC from travelling abroad.

Maj-Gen Manun was first granted political asylum in Dusseldorf between 1985-1988. This was after engineering an unsuccessful coup attempt in September 1985. He returned to Thailand in early October 1988. Gen Chatchai appointed Maj-Gen Manun as a staff officer attached to the Defence Minister (his concurrent portfolio in the last government).

The source said Maj-Gen Manun was ready to contest the claim that he masterminded a plan to kill the Queen. "He is ready to fight the case in a civilian court because he is confident of his innocence," said the source. "But in the current political atmosphere when the country is ruled by martial law he won't do it."

Counter-Corruption Panel Continues Investigation

BK2103015791 Bangkok THE NATION in English 21 Mar 91 p A1

[By Tawisak Sipan]

[Text] Gen Sit Chirarot's anti-graft committee may add 10 more people to the list of 25 politicians facing investigation on charges of acquiring their wealth through abuse of power.

Sit, chairman of the committee appointed by the National Peacekeeping Council (NPKC), said the panel had also tightened its grip on the assets of those under investigation by freezing the transfer of vehicles or of valuables from the politicians' safety deposit boxes at commercial banks.

The former interior minister said the Harbour Department and the Land Transport Department had been instructed to freeze all boats and vehicles belonging to the accused politicians as well as to their immediate relatives. "They will not be able to sell or transfer the ownership of their boats and cars as of March 25," he said. "If their families possess one or two cars, that would be normal, but if there are 10-20 cars around, we'll have to investigate how they acquired them," he said.

Sit said the order to seal the safety deposit boxes of the politicians under investigation was sent to commerical banks on March 12. Speaking after a meeting of committee members yesterday, Sit said the committee may expand its investigation to cover more people. The people to be added to the list would not exceed 10, he added.

Declining to name the individuals in question, Sit said his committee would submit a proposal to Gen Sunthon Khongsomphong, chairman of the National Peackeeping Council (NPKC), to permit the names of the accused politicians to be released to the public. "We'll have a kind of public statement on the identities of the politicians under investigation, and we'll attach our proposal and the draft statement to the committee's first report on the progress of our work," he said. He said the committee would submit the report to Sunthon because it would be completing the first month of its work on March 25. The committee was formed by Sunthon on Feb 25 and authorized to search the houses of the accused politicans, freeze their assets and property and confiscate them unless the politicians could prove that they had acquired them through honest means.

The committee had earlier ordered commercial banks and other financial institutions to freeze the bank accounts of the politicians and their relatives on the list. It had also instructed the Land Department to check the land titles of the politicians.

After nearly a month, Sit said, the committee had made dramatic progress and added that it would be able to come up with public statements from time to time in the second month. "We are now looking into the land they possess across the country. We have got a lot of information on the matter from citizens but we haven't stopped collecting information on their land titles," he said. He admitted that many of accused had transferred some of their money out of the country before last month's coup to elude any investigation but added that the committee would consult banking experts to try to trace the transfers.

The 25 politicians under investigation are mainly former Cabinet members. They include former premier Gen Chatchai Chunhawan, who is now staying in Switzerland, former finance minister Banhan Sinlapa- acha, former industry minister Pramuan Saphawasu, former agriculture minister Maj Gen Sanan Kachonprasat, former communications minister Montri Phongphanit and former PM's Office minister Pol Capt Chaloem Yubamrung, who went into hiding following the 23 Feb coup. Banhan is reported to have the highest amount of money kept at his bank accounts. They amount to almost Bt [Baht] 700 million.

Editorial Favors Decree Barring Labor Strikes

BK1903034791 Bangkok THE NATION in English 19 Mar 91 p A9

[Editorial: "State Enterprise Unions"]

[Text] The National Peacekeeping Council's [NPKC] professed intention of taking state enterprise unions out from under the protection of the Labour Relations Act of 1975 has been widely seen as part of an attempt to destroy the labour movement in Thailand altogether. The misgivings are justifiable, as the 1975 Act empowers employees in the state enterprises to form unions for collective bargaining with their employers, just like workers in the private sector.

The Act excludes national government officials (including those in the military and the police), local government officials at all levels and their employees, because their employer—the state—is supposedly a non-profit entity. Their job security, working conditions and welfare benefits are assumed to be "good", or at least better than the national standard.

Moreover, most of their services to the state are essential to the security, well-being, and public order of the country. Thus they are excluded from the Act, which gives other workers the power to call a strike after they have exhausted all other prescribed means and followed all procedures in pressing for their demands.

Taking the state enterprises out of the protection of the Act is tantamount to depriving their workers of the right to unionize or use a strike threat as the ultimate bargaining chip. This quite expectedly has provoked strong objections by state enterprise union leaders. But at the same time people who see the state enterprises unions as "troublemakers" have publicly welcomed the NPKC's idea.

We can understand why some of the state enterprise unions have acquired a nasty reputation. It is an open secret that many of the unions have been—and may still be—manipulated by politicians and military leaders for their own ends. The NPKC is in a better position than us to know who controls which unions through what means.

If the NPKC wants to depoliticize the unions, it can do so without disbanding them. It can force leaders of these unions to sever their covert ties with their patrons in political parties and military circles. Or better still it can remove the "troublemakers" in any unions through an order by the interior minister. (During the last days of the Chatchai administration, there was an attempt by the Chat Thai Party to remove Sucha Chunphet, a union leader at the Electricity Generating Authority of Thailand [EGAT], after Sucha filed a complaint with the police accusing then Premier Chatchai Chunhawan of trying to privatize EGAT's operations illegally.)

Another reason the NPKC has given for moving against the unions is their long-standing opposition to privatization, which happens to be one of the economic policy objectives of both the NPKC and the Anan Cabinet. Many business leaders have applauded the move as they feel it will speed up the long-delayed privatization and end the state enterprises' monopolies in several services.

Some of the unions did in the past serve as a watch dog to keep the management of their state enterprises honest and efficient. But this seems to be an exception rather than the rule as most of the unions leaders tend to work hand-in-glove with the management and help each other cover up corruption and inefficiency. They cooperate in opposing privatization because it can hurt their common vested interests. A clear case is at the Port Authority of Thailand.

However, clearing the way for privatization isn't in itself enough justification to disband the state unions. In fact some of the unions have changed their attitudes and are now more receptive to privatization, especially when selling part of state enterprises' operations or entering joint ventures with private investors doesn't hurt their job security or decrease their welfare benefits.

Instead of taking the unions out from under the protection of the labour law, a special decree could be issued to bar them from calling a strike. (Indeed the NPKC has already issued a decree banning all collective labour actions for fear of political trouble.) This is a much more defendable action than out-right dissolution of the unions.

The state enterprise unions are much bigger and stronger than most unions in the private sector. Their leaders see themselves as the bulwark of industrial democracy and the guardian of the poor workers in the private sector. But they also have at times shown selfish motives and abandoned their counterparts in the private sector struggling for a higher minimum wage and other welfare benefits that have long been taken for granted in rich state enterprises.

If the state enterprise unions lack the power to call a strike, their role in national labour issues will certainly diminish. But this doesn't mean the entire labour movement in this country will collapse. Neither will it weaken the so-called "democratic forces" in Thailand as the unions were manipulated by politicians and military leaders for undemocratic purposes.

A good case can thus be made for removing the state enterprise unions' power to strike in order to push ahead with privatization that would diminish corruption and inefficiency in state enterprises without destroying their unions in the process.

Officials: U.S. Patent Decision 'No Surprise'

BK2003034791 Bangkok THE NATION in English 20 Mar 91 pp B1, B12

[By Oranut Anusaksathian and Atchara Phonwutthitham]

[Text] The United States Trade Representative's [USTR] decision on Friday to initiate an investigation into the Thai government's policies and practices in providing patent protection came as no surprise to Thai commerce officials handling the issue.

According to a Thai commerce official, the USTR decision was necessary if the Americans wanted to continue to press Thailand to improve its patent protection because the investigation under the US Omnibus Trade and Competitiveness Act of 1988 provides a legal basis for talks involving officials at the decision-making level.

So far, the bilateral negotiations on patent protection have been carried out at official levels, based on a commitment made by the Prem Administration that Thailand would speed up its legal process to present the amended bill to the House of Representatives at the May session, said Suchai Chaowisit, chairman of the working group on patent law. He is also deputy director general of the Commercial Registration Department. At that time, the Thai government agreed to have the amended patent law passed one year after the Uruguay Round, which will provide the guideline for Thailand to improve the law, had been concluded. [sentence as published]

Now with the possibility that the Round is to be concluded no sooner than the end of this year, Washington needs to have some legal basis to hold talks with Thailand, explained another official. He added that Thai officials have anticipated the move even before the announcement has been made formally.

At a consultation between Thai and American officials from March 6 to 8 in Santa Monica, a Thai official was told informally by an American counterpart that the USTR would have to accept the petition filed by the American Pharmaceutical Manufacturers Association on Jan 30. The Thai delegation was chaired by Kroekkrai Chiraphaet, deputy permanent secretary of the Commerce Ministry, while Peter Collins, an assistant USTR, led the American team. Officials added that they have to step up efforts to resolve the dispute to preemt the US taking unilateral actions against Thai exports into the American market.

Foreign Minister Asa Sarasin said yesterday that his agency will hold a meeting with the Commerce Ministry soon to determine the necessary steps to resolve the dispute.

Meanwhile, the Thai Pharmaceutical Manufacturers Association (TMPA) representing local drug firms, some of which copy patented drugs, contended that Thailand is not yet ready to provide protection to medicines and their chemical ingredients.

Priya Sibunruang, TMPA president, has repeated the call for the Cabinet-appointed committee reviewing and amending intellectual property laws to organize a public hearing on the amended Patent Act B.E. 2522 (1979), now being reviewed by a working group. She said the public should be thoroughly informed of the consequences of granting better pharmaceutical patent protection for a longer period than is the case now.

On March 15, in response to a petition filed by the American pharmaceutical industry, the USTR initiated an investigation under Section 301 into the Thai government's policies and practices in regard to adequate and effective patent protection. Failure to resolve the dispute over the next 12 months could ultimately result in retaliatory sanctions. According to the US industry, Thailand's failure to protect pharmaceutical patents costs its members an estimated US$24 million a year.

The working group on patents has indicated that it would recommend to the main committee chaired by Permanent Secretary Phatchara Itsarasena of the Commerce Ministry that the patent protection be extended to farm machines, food beverage, biotechnological inventions, pharmaceuticals and their active ingredients.

Foreign Minister on Malaysia's EAEG Concept

BK2003020691 Bangkok BANGKOK POST in English 20 Mar 91 p 6

[Text] Foreign Minister Asa Sarasin said yesterday that Malaysia's proposal to form an East Asia Economic Group (EAEG) was acceptable if the proposal was one of economic cooperation which would benefit all countries.

"If it is a matter of economic cooperation, we say yes, including the Asian Pacific Economic Cooperation (APEC). We are willing to accept as long as it creates benefits for all countries," Mr Asa said when asked what he thought of the EAEG proposal. It was Mr Asa's first comments on the proposal since the interim administration was formed after the February 23 coup d'etat.

Malaysian Prime Minister Mahathir Mohamed raised the issue once again during talks with Indonesian President Suharto and Singapore Prime Minister Goh Chok Tong in Bali, Indonesia earlier this month. Singapore has expressed support for the proposal but Indonesia has reservations and has not publicly supported the proposal. The Malaysian proposal has drawn fire from the United States. US Ambassador to Japan Michael Armacost has said that such a proposal was "not viable."

Mr Mahathir has denied that his country's proposal amounts to the formation of a trade bloc but has said that the members of the group—which has yet to be formed—should consult each other on common positions before entering multi-lateral negotiations such as the GATT [General Agreement on Tariffs and Trade].

Regarding membership of the group which, according to Malaysia, will exclude the United States, Mr Asa said: "To specify that there are certain countries to be included and others which should not, I think this can be discussed. They (the nations) are all friends."

Officials Question Debt Exemption for THAI

BK1503044991 Bangkok THE NATION in English 14 Mar 91 pp B1, B10

[Text] Thai Airways International's [THAI] exemption from the external debt ceiling of US$1.5 billion a year may set a precedent for other state enterprises with strong financial standing to follow suit, and may erode the country's financial discipline, government officials said yesterday.

But Transport and Communications Minister Nukun Prachuapmo argued that there are reasons for giving THAI the privilege as instructed by the powerful National Peacekeeping Council (NPKC).

Prior to the formation of the new government on March 7, the NPKC issued the instruction to exempt the national flag carrier from the debt ceiling, which has been strictly enforced since the baht devaluation of 1984. The move, however, met strong objection from Finance Ministry officials, who said THAI's exemption could affect the country's financial discipline. It also runs counter to the new government's announcement that financial discipline will be maintained to promote economic stability and sustainable growth.

In accepting the NPKC instruction to exempt THAI from the ceiling, Nukun, who oversees the airline, said the prevailing fiscal and monetary conditions have changed from the time when the government initiated curbs on external debts.

Nukun, a former governor of the Bank of Thailand, also hailed THAI's strong financial position as one of the reasons for it being exempted from the ceiling. Moreover, he said, the country's international reserves now stand at a total of US$15 billion, equivalent to six months of imports, reflecting the financial strength that may permit some special cases of external borrowings.

However, the THAI exemption may set a precedent for other state enterprises to follow suit. State enterprises which are strapped for expansion funds such as the Electricity Generating Authority of Thailand and the Port Authority of Thailand are among the examples. Finance Ministry officials, who requested anonymity, said exemptions will loosen government control on external debts.

During the economic crisis years of 1984-85, the country's external debt service ratio reached a critical 27 percent of gross national products, prompting Sommai Huntrakun, the then finance minister, to enforce tough measures, including the debt ceiling, to prevent a catastrophe.

The NPKC instruction was reported to have been issued prior to the formation of the new government, headed by Anan Panyarachun. The instruction reportedly followed a proposal from ACM [Air Chief Marshal] Kaset Rotchananin, chairman of THAI, who is also air force commander-in-chief and deputy chairman of the NPKC. Kaset's proposal was to ease borrowing restrictions on THAI.

Nukun, meanwhile, stressed that THAI will have to seek approval on its offshore borrowing plans from the National Economic and Social Development Board. Over the next five years, the airline will need about Bt100 billion for business expansion, especially new aircraft acquisition. Although the airline is preparing to list its shares on the stock exchange, mobilization of public funds alone may not be enough. The airline also will likely scrap a plan to set up leasing firms as a means to mobilize funds.

The airline is evaluating proposals from six stock brokers interested in underwriting its shares for the public offering of Bt3 billion worth of shares to raise its capital from Bt2.32 billion to about Bt5.32 billion. Finance One, Dhana Siam Finance and Securities, Natioinal Finance and Securities, Asia Credit, Tisco, and Phatra Thanakit are the six brokers vying for the THAI project.

Finance Ministry officials said the instruction from the NPKC will have to be followed but the ministry is seeking a method to retain some control on THAI's external borrowings. Broker sources said the airline will face some difficulties if it is going to obtain loans now because of its heavy debt burdens when compared to equity.

Bank Revises Growth Prediction to 9 Percent

BK2003032591 Bangkok THE NATION in English 20 Mar 91 p B1

[By Charuwan Loetwinyu and Utsani Wongsawat]

[Text] The Bank of Thailand revised the uptrend in economic growth by another one-1.5 percentage points to 8.5-9 per cent, while inflaton is expected to stand at six-6.5 per cent.

Dr Wiraphong Ramangkun, deputy finance minister, suggested that inflation should be maintained under the five per cent level for the good of the economy, although its competitiveness can still absorb the six-6.5 per cent inflation rate.

Known for his fiscal conservatism, Wiraphong said sharp economic growth over the past few years has brought about inflationary pressure, something the Finance Ministry will be trying to keep under check so that it will not dampen the economy. However, Wiraphong said inflation this year will not have any serious impact on the Thai economy, whose exports, the main engine of economic growth, remain competitive in the world markets, and in which investment is still sustainable.

In a revised economic forecast presented to the Cabinet yesterday, the central bank based its projection on an average oil price of US$22 per barrel and the broad outlook in which the world trade is expected to weaken from 5.2 to 4.8 per cent and the worldwide economy to slightly edge up from 1.8 to 1.9 per cent this year.

Of particular concern, however, is the widening of the current account deficit, expected to reach Bt [baht] 184 billion this year, or 7.5 per cent of the gross domestic product, according to the central bank. But exports will grow 19 per cent to Bt702 billion, against an import growth of 18.4 per cent to Bt981 billion this year, bringing the trade deficit to Bt280 billion.

The M2 money supply is expected to expand 20 per cent to Bt1.83 trillion, with credit growing by 25 per cent to Bt1.89 trillion, compared with a deposit growth of 20 per cent to Bt1.71 trillion. The agriculture sector will grow 2.9 per cent, compared with minus 3.2 per cent last year, while the industrial manufacturing sector will surge 9.3 per cent. The construction sector will surge 15.5 per cent, overtaking the real estate and banking sector.

Sano Unakun, deputy prime minister, said the prime objective of the caretaker government is to continue the major policies of the previous government and improve the legal system so that it conforms to the economic growth of the country. This task will have to be completed within six or nine months during the tenure of the caretaker government, he said.

Phaichit Uathawikun, PM's Office minister, said the legal reform will take into account the economic growth of Thailand and the decentralization so that the rural people have more say in the local administration.

Sano said the government will continue its effort to privatize the state enterprises, while helping them to become more competitive, with the capability of making investment on their own. This effort, he said, will be accompanied by private sector participation, the role of which will be in line with the economic environment.

Vietnam

Minister Interviewed on U.S. Meeting in Jamaica

BK2103113591 Hanoi International Service in English 1000 GMT 21 Mar 91

[Interview with Vietnamese Justice Minister Phan Hien by unidentified station correspondent on Vietnam-U.S. relations; place and date not give—recorded]

[Text] A meeting was held between Vietnam and the United States in Montego Bay, Jamaica, a small island in the Caribbean Sea. The Vietnamese delegation was led by Phan Hien, minister of justice and president of the Vietnam-American Friendship Association. In an interview with our radio correspondent on the Vietnam-U.S. meeting, Minister Phan Hien said:

[Begin Phan Hien recording in Vietnamese, fading into English translation] The meeting was held from 10 to 14 February in Jamaica to discuss the normalization of Vietnam-U.S. relations. Participants in the meeting discussed measures to end the U.S. embargo against Vietnam in order to normalize the relations between the two countries in all spheres. The Vietnam War ended in 1975, more than 10 years ago, so there is no reason for the two countries not to resume their relations. At this meeting, American researchers, Congressmen, journalists, and businessmen, together with their Vietnamese colleagues, exchanged opinions on normalization of relations. [end recording]

Minister Phan Hien also said that the meeting (?discussed) many issues, including the issues of security and stability in Southeast Asia, the impact of economic and political changes in the world on relations between the two countries. At the meeting, the two sides also discussed prospects for normalization of U.S.-Vietnam relations. These problems are of great importance, and they were discussed one by one. During the discussions of the Southeast Asian issues, they brougt up the Cambodian issue, and the two issues expressed their stands toward the problem. They also talked about the impact of changes taking place in the Soviet Union and other East European countries on the Vietnam-U.S. relations. The two sides devoted much time on changes in the economy of Vietnam. American friends hoped that the current reforms in Vietnam will be continued and more American businessmen will come to Vietnam when the embargo is lifted.

Minister Phan Hien also said that the Cambodian issue has captured special attention at the meeting. The two sides pledged to do their best to speed up the settlement of the Cambodian problem.

On the prospects for the Vietnam-U.S. relations, Minister Phan Hien said:

[Begin Phan Hien recording in Vietnamese, fading into English translation] This question is hard to answer, but estimation is needed. The meeting in Jamaica was [word indistinct] an (? unoffical) one because participants to the meeting were congressmen, journalists, businessmen, and researchers. Everyone was free to express their own opinion. However, generally speaking, from the start to the end everyone agreed that it is time to normalize the relations between the two countries and lift sanctions against Vietnam. It is beneficial both to Vietnam and the United States. In the wake of the Gulf war, U.S. President Bush said that it was necessary to dispel the Vietnam syndrome. In the present circumstances, favorable conditions are available for different circles to bring pressure to bear upon the Bush administration to normalize its relations with Vietnam. [end recording]

Minister Phan Hien said that after the meeting, an American woman journalist [words indistinct] a six-month deadline for the normalization of relations. Petroleum businessmen also urged the Bush administration to abolish its embargo against Vietnam so that they can do their business with Vietnam. The Asia-Pacific Institute, the World Bank also raised the same demand. It is a general consensus [words indistinct] that it is abnormal for the failure of normalization with Vietnam. The two sides deemed it necessary to step up their activities toward this end. The meeting was a success. Such meeting will certainly contribute to normalizing the relations between the two countries.

Countries Hail Ministry's Statement on Cambodia

BK2103111191 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Mar 91

[20 March NHAN DAN commentary: "An Important Step Toward an Overall Political Solution"]

[Text] For three weeks since the Vietnamese Foreign Ministry publicized a statement about a cease-fire and the temporary ending of military aid to Cambodian parties concerned, world public opinion widely acclaimed and acknowledged the goodwill of Vietnam and its contributions to pressing for an overall political solution to the Cambodian issue.

On 1 March the Cambodian National Assembly hailed the 28 February statement of the Vietnamese Foreign Ministry for having called on Cambodian parties and countries concerned to press for an end to foreign aid, to effect a cease-fire, and to convene an SNC [Supreme National Council] meeting with the aim of paving the way for an overall political solution to the Cambodian issue.

The Lao Foreign Ministry's 7 March statement said: As a neighboring country that shares the same border with Cambodia, the Lao Government supports the Socialist Republic of Vietnam's proposal that Laos, Vietnam, and Thailand refrain from allowing foreign weapons to transit their territories into Cambodia, and that they sign an agreement on how to enforce this under UN control.

In his reply to Foreign Minister Nguyen Co Thach, Soviet Foreign Minister Bessmertnykh affirmed: The Soviet Union agrees with Vietnam on the need to solve the Cambodian conflict peacefully with due consideration for the legitimate interests of the Cambodian people and others on the Indochinese peninsula. The Soviet Union supports all the proposals presented in the Vietnamese Foreign Ministry's statement and will do its utmost to step up the implementation of these proposals. The UN secretary general said the end of the Cambodian war will definitely help create an atmosphere favorable for concluding the negotiating process at an early stage.

On 4 March Mr. Aren, acting head of the Asia Department of the FRG Foreign Ministry, acknowledged Vietnam's efforts and said he would ask EEC countries to be responsive to the Vietnamese Foreign Ministry's 28 February statement and that Germany no longer regards the Cambodian issue as an obstacle to the improvement of relations with Vietnam.

The acting head of the Afro-Asia Department of the Nicaraguan Foreign Ministry said: Nicaragua favors all the initiaties aimed at settling the conflict by peaceful means. Vietnam's 28 February proposal demonstrated its desire and contributions to prompting an overall political solution to the Cambodian issue.

The deputy head of Department Two of the DPRK Foreign Ministry hailed the Vietnamese Foreign Ministry's 28 February statement and expressed hope that the Cambodian issue would be settled at an early date.

Meanwhile, Chinese Vice Foreign Minister Xu Dunxin told Richard Solomon, assistant to the U.S. secretary of state, that China is ready to excercise self-restraint if other parties do likewise. As for the U.S. side, it favors an end to military aid and a cease-fire but points out that this should be realized only when an agreement is reached. The U.S. Congress and public opinion are demanding a debate over the legality of continued U.S. aid to the Khmer reactionaries.

The sympathy and support of many countries for the Vietnamese Foreign Ministry's 28 February statement, though differing in extent, shows that the world is aware of the imperative need to accelerate the process toward an overall political solution to the Cambodian issue. It is regrettable that while busy diplomatic activities are undertaken in the region and the world to peacefully settle the conflict, the stepped-up military activities of the Khmer opposition forces have resulted in more death and suffering for the civilian population, thus arousing much public concern.

The increased military aid of foreign countries to the Cambodian opposition forces and the latter's rejection of a cease-fire prove that they are still bent on a military solution to the Cambodian issue. Thus the civil war will continue to drag on, and more blood will be shed against the will of the peace-loving people of the world and the explicit desire of many governments to settle this conflict by peaceful means. At this juncture, it is imperative to effect a cease-fire and stop foreign military aid in order to reduce the intensity of the civil war and eventually end it altogether, thus creating favorable conditions for all Cambodian parties to settle their internal questions by themselves. That is a very important step in the process toward an overall political solution to the Cambodian issue.

We hope that the proposals by our Vietnamese Foreign Ministry for a cease-fire and end to military aid will be committed and implemented by all Cambodian parties and countries concerned in order to accelerate the process of putting an early end to the bloodshed and bringing about peace and stability in Cambodia and the Southeast Asian region.

Spokeswoman Welcomes Visit From General Sunthon

BK2103134691 Hong Kong AFP in English 1326 GMT 21 Mar 91

[Text] Hanoi, March 21 (AFP)—A visit to Vietnam by the leader of Thailand's military junta, General Sunthon Khongsomphong, would benefit relations between the two countries, the Vietnamese Foreign Ministry said Thursday.

"We would welcome reciprocal visits by the leaders of the two countries," including military leaders, ministry spokeswoman Ho The Lan said, referring to a possible visit here by Gen. Sunthon.

"It would help strengthen understanding and friendly relations between the two countries," Ms. Lan said.

"There was nothing new," she said, on Vietnamese Prime Minister Do Muoi's visit to Bangkok, which was planned before the February 23 military coup in Thailand and whose dates are unfixed.

Bangkok and Hanoi were currently "organising the visit of the Vietnamese deputy foreign minister" to Thailand, she added.

Hanoi has taken no official stance on the coup, which ousted the elected government of prime minister Chatchai Chunhawan.

But there is concern here over a possible shift in Bangkok's position on the Cambodian issue.

The Thai military has had close links with the Cambodian resistance coalition, which is fighting the Phnom Penh government Vietnam installed after invading Cambodia in December 1978.

Thai-Vietnamese relations, strained since the invasion, had improved in recent years, with Mr. Chatchai looking to strengthen economic links with Indochina's three communist countries—Vietnam, Laos and Cambodia.

Foreign Policy Redirected at Southeast Asia, EC

BK2103102091 Hong Kong AFP in English 1002 GMT 21 Mar 91

[Text] Hanoi, March 21 (AFP)—Vietnam, which can no longer count on the Soviet Union for economic survival and remains suspicious of Japan, plans to seek closer ties with Southeast Asia and Europe, Foreign Minister Nguyen Co Thach said.

Though Vietnam will seek to redirect its foreign policy away from traditional Soviet bloc allies, the Soviet Union remains a "privileged" partner of Hanoi, Mr. Thach told AGENCE FRANCE-PRESSE.

Moves towards a thaw in relations with Washington had brought progress, he said in an interview here Wednesday, but the pace was slow.

"With the United States, I feel things are moving in the right direction, though not as speedily as I would hope," he said.

"The Soviet Union remains a privileged political and economic partner and continues to support our policies, but at present, the country is weakening and turning in on itself," he said.

The Soviet Union, formally Vietnam chief supplier of aid and cheap raw materials, is struggling under its own economic burdens and now demands payment in hard currency at world prices in trade with Hanoi.

Japan, in contrast, was making spirited inroads in Vietnam, but Mr. Thach was wary.

"The Japanese offensive towards Vietnam, notably in trade, is not only serious but violent," he said.

"This interests us, but we also have had unhappy experiences with the Japanese in the past," he said in reference to Japan's World War II occupation of Vietnam.

Japan has already established itself as Vietnam's main non- communist trading partner although direct Japanese investment remains weak because of Washington's economic embargo, which Tokyo endorses.

"Our choice is the European Community (EC), because it follows an independent line with both China and the United States, (while) Japan follows the U.S. lead," he said.

Vietnam established diplomatic relations with the EC last year and countries including France, Britain, Germany and Italy are strengthening economic ties with Hanoi.

Beijing and Washington, however, maintain a hostile stance and both link improved ties with Hanoi to a resolution of the Cambodian civil war, which followed Vietnam's invasion of its neighbour in December 1978.

Washington maintains a 16-year-old economic embargo on Vietnam and has no diplomatic relations with Hanoi, while China froze ties following the overthrow of Cambodia's Marxist Khmer Rouge regime by Hanoi's invading troops.

Foreign Minister: Better Asian Ties Necessary

BK2003132491 Hong Kong AFP in English 1235 GMT 20 Mar 91

[Text] Hanoi, March 20 (AFP)—Vietnam, confronted by sweeping reforms in Eastern Europe and upheaval in the Soviet Union, had no choice but to alter its trade policy and seek improved ties with Asia, Deputy Foreign Minister Vu Khoan said Wednesday.

Mr. Vu Khoan told AFP that Vietnam had registered "very rapid growth" in business with Japan, its second trading partner after the Soviet Union, and with other Asian countries. He cited Singapore, Thailand, and Hong Kong.

Eastern Europe's democratic reforms and the unexpected changes in the Soviet Union have overturned the operating rules of the Comecon, the Soviet trade bloc.

Mr. Vu Khoan said this new scenario had the following essential conseuences for Vietnam:

—Comecon countries had changed their price fixing system to use international prices, which were between 25 per cent and 30 per cent higher.

—payment in hard currency was required, which is in short supply in Vietnam.

—the reduction, by Vietnam, of certain imports from Comecon countries, especially the Soviet Union, which is "itself prey to economic and social difficulties."

The deputy minister recalled that Vietnam signed a skeleton accord on trade with the Soviet Union early this year, but said it was not in force "because there is no government in Moscow."

He said, however, he was confident that his country would eventually receive oil from the Soviet Union—in lower quantities than last year's 2.7 million tonnes—as well as fertiliser and other key products such as cotton.

Vietnam, which draws 80 per cent of its imports from Comecon countries, believes the Council of Mutual Economic Assistance should update its mechanisms, Mr. Khoan said, adding that the Comecon had to stop being a political organisation in order to have a strictly economic and consultative role.

Spokesman Welcomes Plan for Dialogue With ASEAN

BK2103112591 Hanoi International Service in English 1000 GMT 21 Mar 91

[Text] A spokesman for the Vietnamese Foreign Ministry, Mrs Ho The Lan, welcomed Malaysian Prime Minister Mahathir's proposal for a dialogue between the ASEAN and Vietnam, Laos, and Myanmar [Burma].

Speaking at the regular press conference in Hanoi on Thursday, Mrs Ho The Lan said: It is a positive proposal conforming to the current trend of dialogue in the world, especially the aspiration of all countries in the region, that is to build Southeast Asia into a zone of peace, neutrality, stability, and cooperation.

Also at the press conference, Mrs Ho The Lan informed newsmen about the visit to Vietnam by the deputy foreign minister of Australia. She said: The visit was a success as it strengthens mutual understanding and promotes the process of settlement of the Cambodian issue.

Regarding world public reaction to the 28 February statement of the Vietnamese Foreign Ministry, Mrs Ho The Lan noted that Assistant to the Chinese Foreign Minister Xi Tunxin told the Assistant to the U.S. Secretary of State Mr. Solomon that China will be ready to restrain itself from supplying weapons if other sides do the same.

Mrs Ho The Lan added that the U.S. and the Soviet Union also put forth initiatives on the halt of military aid to Cambodian warring sides. She said worldwide support for a cease-fire and an end to military aid is urgent to help bring an end to a civil war in Cambodia and create favorable conditions for a meeting of the Supreme National Council of Cambodia to solve internal affairs of Cambodia, thus reaching a comprehensive political solution to the Cambodian issue.

VNA on Cooperation With South Korean Red Cross

BK2003162291 Hanoi VNA in English 1516 GMT 20 Mar 91

[Text] Hanoi VNA March 20—Vice President of the South Korea Red Cross Yung Dung-lee and Vice President and General Secretary of the Vietnam Red Cross Doan Xuan Muon held talks here this morning on long-term cooperation between the two societies.

On this occasion, the South Korean society invited two officials of the Vietnam Red Cross to visit South Korea, and two young workers to attend a summer camp to be held in Seoul in August this year.

The South Korean society presented the Vietnamese society with 10,000 U.S. dollars as contribution to the latter's development fund. Last year, it contributed another 10,000 U.S. dollars to building the Vietnam Red Cross's office in Hanoi.

Mr. Yung Dung-lee is leading a delegation of the South Korean Red Cross for its first visit to Vietnam from March 19-22.

NHAN DAN Views Post-Gulf War Diplomacy

BK2003141391 Hanoi Domestic Service in Vietnamese 1430 GMT 15 Mar 91

[NHAN DAN 17 March Commentary: "The Diplomatic Race"]

[Text] The shuttle activities have taken place continously. No sooner had the gunfire ceased, than many officials of Western countries flocked to the Gulf area, plunged into diplomatic missions to find a post-war solution, and attempted to obtain a position of advantage in the momentous post-war trade.

On 3 March, President Mubarak of Egypt, a member of the allied forces, proposed a nine-point plan for Arab solidarity after the war including the settlement of the Arab-Israeli conflict, especially the Palestinian problem. Two days later, eight Arab countries, including Egypt, Syria and the six nations of the Gulf Cooperation

Council announced the establishment of an Arab peacekeeping force to maintain security in the Gulf. This force is composed mainly of Egyptian and Syrian troops.

On 5 March, the Austrian foreign minister advanced a five-point proposal for the Middle East. On 6 March, the 12 countries of the European Economic Community sent a delegation of their foreign ministers to the Middle East to discuss post-war reconstruction and security guarantees. On the same day, Deputy Foreign Minister [Velonogev] visited Iran. Both the Soviet and Iranian sides stressed the needs to seek measures for a lasting peace for the Gulf, and to promptly establish a reliable mechanism of security based on the aspirations and interests of the people in the region.

World public opinion has paid special attention to the policies and actions of the United States, the country the BBC observed that has imposed conditions for any security arrangement in the Persian Gulf in the immediate future.

On 7 March, in his address before the U.S. Congress, President Bush said the United States will continue to struggle relentlessly for peace and stability in the Middle East and that it is time to stop the Arab-Israeli conflict. Mr. Bush specified: The United States is faced with four key challenges, the first in arranging for a common security in the region. He asserted that the United States and its allies would also constitute a force of peace and security to control the proliferation of weapons of mass destructions, terminate the Arab-Israeli conflict and encourage the development of the regional economy.

On the same day, U.S. Secretary of State Baker set out to visit five countries in the Gulf and the Middle East to discuss the issues set forth by Mr. Bush, which are aimed at establishing a new order in this strategic region. Western public opinion held that the core issue of the continuous diplomacy is in seeking a post-war solution to the Gulf, where the Palestinian problem is a prominent issue.

Upon leaving for the Gulf and the Middle East, U.S. Secretary of State Baker hoped to implement the idea of hitting two birds with one stone—to get Arab countries and Israel to approach each other and to urge Israel to create an opportunity for the Palestinians to decide their own future.

The French journal LIBERATION says that this is the start of a long process for the United States aimed to create a lasting peace for the Middle East, and for Mr. Baker who will outline a peace plan for all countries in the region and promote relations between Arab countries and Israel.

Washington and many Western countries thought that this was an unprecedented occasion for terminating the confrontation between Israelis and Arabs, which has lasted for four decades or more. Many observers remarked that Baker's talks in Tel Aviv was of decisive importance in reconciling the demands of Israel and the Arab countries, especially on territorial sovereignty. The handbook Mr. Bush has given to Baker contains the formula of exchanging territory for peace.

Everyone knows that since 1948, immediately following the establishment of the Israeli state, Israeli forces have waged many wars against Arab countries and have occupied the Palestine region, driving millions of Palestinians to a life in exile and illegally occupying the West Bank, the Gaza Strip, and the Golan Heights.

In the past four decades or more, Israel has been a loyal ally and the most important base of the United States in the Middle East. It has received generous support and aid from Washington. Recently, following the Gulf war, the Bush Administration rewarded Israel with supplementary aid of U.S. $800 million. Now, in carrying out the plan for ending the Arab-Israeli conflict, Washington is pressing Tel Aviv to exchange territory for peace. This means that Israel will have to return some of the illegally occupied Arab territories so that the Arab countries will end their war against Israel.

Would Israel accept such a U.S. plan? World public opinion held that it would not be easy for the Zionist forces to relinquish their expansionist dream and the lucrative regions that they have robbed the Arab countries of. On the very day Baker left for the Middle East, Israeli Foreign Minister Levi said Israel has differences with President Bush's call for the exchange of territory for peace in order to end the Arab-Israeli conflict.

Tel Aviv has still refused to implement the UN Security Council Resolutions that demand Israel withdraw its troops from the Arab regions it is occupying. As for the Arab side, eight countries in the Gulf recently issued a statement that a just and comprehensive solution to the Palestine issue and the conflict between Arab countries and Israel could be reached only on the basis of Resolutions 338 and 242 of the UN Security Council.

Moreover, it is difficult for the Arab people to accept the U.S. demand for wiping out the Palestinian state and the Palestine Liberation Organization PLO, the genuine representative of the Palestine people. The statement by General Scowcroft, national security advisor to the U.S. President, demanding that the PLO not be considered a side in the talks about Middle East issues, along with Israeli Prime Minister Shamir's brazen demand that the PLO cease to exist and disappear on the map, would certainly be condemned resolutely by the Arab public.

With a plot to eliminate the Palestine state and PLO, the leading force of the Palestine people's patriotic struggle, how can they find a correct, fair and reasonable solution to the Palestine issue? The Western press says that in this tour, Mr. Baker will be under particular pressure from many Arab countries to seek a solution to the Israeli-Palestinian conflict. At the present, it is really not easy to find a solution acceptable to both the Arabs and Israel.

The U.S. Journal CHRISTIAN SCIENCE MONITOR says U.S. Secretary of State Baker's tour to Egypt, Turkey, Syria, Saudi Arabia, and Israel will meet with obstacles and Mr. Baker has no illusions about the prospects of solving the Arab-Israeli conflict.

Paper Urges International Conference on Mideast

BK2003154591 Hanoi VNA in English 1507 GMT 20 Mar 91

[Text] Hanoi VNA March 20—The army paper QUAN DOI NHAN DAN says in a commentary today that the only correct way to settle the Gulf crisis is to convene an international peace conference on the Middle East to seek a basic solution to the Arab-Israel dispute with a view to safeguarding the security of all nations in that region.

The paper continues:

"The Gulf war has ended, but the struggle is still going on. This is the sixth war to have broken out in the Middle East over the past 45 years. Like the other previous wars in that region, this war has solved no problem at all. Actually, if patience had prevailed for 48 more hours, Kuwait would have been peacefully liberated from Iraqi occupation without bloodshed and destruction that happened in more than 40 days of the war. As such, the peoples of Kuwait and Iraq have suffered the heaviest losses in this war.

On the contrary, the military-industrial groups of developed capitalist countries, particularly the United States, have gained the most profit. According to the U.S. government's announcement, the war expenditures amount to 70 billion U.S. dollars. If half that amount is spent on weapons, the U.S. arms sales during more than one month of the war well exceed the GNP value of either Kuwait or Iraq in one year. But the profit to be made on investments in post-war recontruction will be much bigger.

"When praising the victory of the allies in the Gulf war, U.S. President G. Bush did not conceal his scheme to rebuild the world political order according to the U.S. concept. That is his desire, but whether the situation will evolve according to his subjective calculation is another thing."

The Gulf war and its follow-up developments make everyone realize that only by means of struggle and the strength of solidarity of the world people can a durable and lasting peace be established on our planet, the paper notes.

It continues:

"Different from the situation after World War II, when the United States was the strongest economic and military power, the U.S. economic power nowadays is weaker than the combined strength of its allies, accordingly the possibility of the United States resuming its monopolistic position is very questionable.

"Moreover, the Gulf war has not ensured more [words indistinct] that region, first of all Israel, but on the contrary, has made the Israel-Arab conflict more acute, and increased contradictions between the Arab people and the United States and the west as a whole."

Trade, Political Talks With Hong Kong Officials

BK2003152991 Hong Kong AFP in English 1227 GMT 20 Mar 91

[Text] Hanoi, March 20 (AFP)—Officials here are discussing with their Hong Kong counterparts the possible opening of a Vietnamese consulate in the British colony, Vietnam's deputy foreign minister said Wednesday.

"We are now discussing with Hong Kong the opening of a consulate there," Vu Khoan said in an interview with AGENCE FRANCE-PRESSE.

Vietnamese civil aviation authorities and Hong Kong officials were also discussing opening regular air routes between Vietnam and Hong Kong, he added.

"The discussions, which were started at Hong Kong's initiative, are now focusing on technical and commercial aspects," he said.

"Our relations with Britain and Hong Kong are improving and we have seen signs of a willingness (on the British side) to improve them even more," Mr. Vu Khoan added.

Britain is already Vietnam's second-largest economic partner among industrialized countries, after Japan, largely because of research investment by British petroleum and enterprise oil.

British investments in Vietnam, including those of Hong Kong, were worth an estimated 140 million dollars in 1990, or about 35 per cent of all foreign investment.

Hong Kong is currently home to some 53,000 Vietnamese boat people, the vast majority of whom have failed a screening that would allow them to resettle in third countries.

About 6,900 boat people have returned voluntarily to Vietnam in the last two years.

Development of Economic Cooperation With France

BK2103095391 Hanoi Domestic Service in Vietnamese 0015 GMT 18 Mar 91

[Article by Thanh Hai]

[Summary] Cooperation between France and Vietnam has recently become a very prominent feature in the entire process of relations between France and other countries in the world.

"Since 1989 France has taken the lead among other countries in sending the largest number of trade delegations to Vietnam to explore the possibility of fostering cooperation with Vietnam. In early 1990 the Vietnamese-French joint committee met to specifically examine the issue of French investment in Vietnam. It was at this meeting that the first 16 projects on Vietnamese-French joint ventures in the domain of oil and natural gas involving 60 million francs were selected. Later, France decided to set up in Vietnam 17 offices responsible for its trade and investment activities in Vietnam.

"In 1990 France exported to Vietnam goods valued at hundreds of millions of francs. Meanwhile, it imported from Vietnam various products—such as lacquer, pottery, embroidery, rattan or bamboo items, coffee, beans, sesame, peanuts, and rubber—also valued at hundreds of millions of francs."

At present France is buying more fresh fruits, bamboo sprouts, and processed food from Vietnam. Cashews, one of Vietnam's export products, are particularly popular in France. Vietnam has now become the second largest exporter of cashews in the world, mainly to France.

Early this year a joint venture project of primary importance in the domain of tourism between France and Vietnam was launched. That is the renovation of the Thong Nhat (Metropole) Hotel in the capital of Hanoi. Under this project, by early 1992 Hanoi will have the first Vietnamese four-star hotel of international caliber.

"This is in addition to many other diversified forms of cooperation between Vietnam and France—such as cooperation in making a film on Dien Bien Phu, in teaching the French language in schools and on radio or television stations, in developing telecommunications and telegraph, in expanding the network of libraries, in performing French music and theatrical art on Vietnamese stages, and in arranging for French participation in the forum on investment in Vietnam held in Ho Chi Minh City.

"With the positive contributions of His Excellency Blanchmaison, the French ambassador, the relations of cooperation and friendship and the trade between Vietnam and France are currently on the path of development with ever-better results."

Do Muoi Meets Philippine Deputy Foreign Minister

BK1903154091 Hanoi VNA in English 1454 GMT 19 Mar 91

[Text] Hanoi VNA March 19—Chairman of the Council of Ministers Do Muoi received in Hanoi today Manuel M. Yao deputy foreign minister of the Philippines and his party now on a friendship visit to Vietnam.

Vietnamese Deputy Foreign Minister Tran Quang Co and Philippine Charge d'Affaires A.I. Emmanuel J. Contreras were present on this occasion.

Manuel M. Yao informed the Vietnamese leader of the results of his working sessions in Vietnam which were aimed at exploring the possibilities and measures to broaden the friendly and cooperative relations between the two countries. He said he believed that the Philippines and Vietnam which are close neighbours can cooperate in many fields, thus contributing to the stability, friendship, cooperation, and prosperity of Southeast Asia.

Chairman Do Muoi welcomed this visit saying it is a contribution to broadening the relations between the two countries. He reiterated the Vietnamese people's desire to promote their relations with all neigboring countries, including the Philippines, and pointed out that the two countries should make full use of favourable conditions for developing their multifaceted cooperation relations in the time to come.

Do Muoi Supports South African People's Cause

BK2003155991 Hanoi VNA in English 1519 GMT 20 Mar 91

[Text] Hanoi VNA March 20—Chairman of the Council of Ministers Do Muoi today voiced resolute support for the just cause of the South African people and the African National Congress (ANC) to abolish the apartheid regime and build a South Africa of peace, independence, democracy and social progress.

In his message of greetings to Javier Perez de Cuellar, UN secretary general; Ibrahim A. Gambari, president of the UN Anti-Apartheid Special Committee; and Oliver Tambo, chairman of the African National Congress (ANC) on the UN International Day Against Apartheid (March 21), Chairman Do Muoi highly exalted the South African people's important victories in the ANC-led struggle and expressed his belief that the United Nations and the international community will support through their practical activities the South African people's struggle and make UN Anti-Apartheid Special Committee's 1991 programme of action fruitful.

Greetings on Lao Communist Party Anniversary

BK2103152091 Hanoi VNA in English 1454 GMT 21 Mar 91

[Text] Hanoi VNA March 21—The Central Committee of the Communist Party of Vietnam has warmly greeted the 36th founding anniversary of the Lao People's Revolutionary Party (LPRP). In its message to the LPRP Central Committee, the CPVCC said: "Over the past 36 years, carrying forward the glorious revolutionary cause of the former Indochinese Communist Party founded by President Ho Chi Minh, the LPRP headed by General Secretagy Kayson Phomvihan, has led the fraternal Lao People of various ethnicities to overcome untold hardships and trials, succeed [words indistinct] out the national liberation revolution and taking Laos into the era of independence, freedom and social progress. Especially in recent years, with a creative line of renovation, the Lao revolution has been crowned with many great, comprehensive, and steady achievements.

"The Communist Party and people of Vietnam greatly rejoice at those successes of the Lao revolution and at the constant consolidation and development of the militant solidarity, the long-standing friendship and allround cooperation between the two parties and peoples of Laos and Vietnam, which have been through a long process of the revolutionary struggle of the two peoples." It expressed the belief that the Lao people, under the leadership [words indistinct], will obtain still more important achievements in building a Laos of peace, unification, independence, democracy and prosperity.

Conference of People's Councils Closes 20 Mar

BK2103083791 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Mar 91

[Text] After a three-day session, the Third National Conference of People's Councils concluded in Hanoi on 20 March. Council of State Chairman Vo Chi Cong attended the closing ceremony.

In his speech at the closing session, Comrade Nguyen Viet Dung said: The conference has expressed its identity of views with the Council of Ministers' report asserting the party and state policy on renovating the organization and activities of the people's councils. Activities of the people's council echelons during the past period have scored notable achievements, thus showing work improvement from these councils and affirming the people's confidence in them.

The conference welcomed the revision of the law and regulations on the organization and activities of the people's councils, saying this has contributed to broadening democracy in the activities of the councils. Many delegates suggested that renovation should be applied to the party committees' leadership over the people's councils on the basis of the resolutions of the Communist Party of Vietnam Central Committee Secretariat and Political Bureau. The conference also proposed that Articles 45 and 47 of the Law on Organization of the People's Councils and Committees be revised to suit the current situation.

Vo Chi Cong Addresses People's Councils Meeting

BK2103050191 Hanoi Domestic Service in Vietnamese 1430 GMT 18 Mar 91

["Text" of speech by Vo Chi Cong, chairman of the Council of State, at the Third National Conference of People's Councils held in Hanoi on 18 March—live or recorded]

[Text] Dear comrades, the Third National Conference of People's Councils is an important event in the process of renovating activities by the popular elected bodies in our country. It is convened at a time when our entire party and people are making preparations for the upcoming Seventh Communist Party of Vietnam [CPV] Congress. On behalf of the CPV Central Committee Political Bureau and the Council of State, I warmly welcome comrades chairmen of people's councils; members of standing bodies of people's councils; chairmen of people's committees of provinces, municipalities, and special zones directly subordinate to the central government; representatives of the Council of Ministers and the Vietnam Fatherland Front Central Committee; representatives of ministries and sectors at the central level; and representatives from the mass media agencies who are present here.

Dear comrades, this national conference will consider and review the implementation of the law on the organization of the people's councils and committees as well as regulations on the organization and activities of the people's councils since their new term of office. This is aimed at appraising the real situation, achievements, and shortcomings in order to draw on experiences to consolidate and perfect the organization and activities of people's councils at various echelons.

During the past period, our party and state have gradually strengthened the organization and activities of the National Assembly and the people's councils aimed at consistently enhancing the efficacy of the popular elected bodies from the central to the local levels, thereby extensively promoting the people's right to mastery.

After implementing the law and regulations on the people's councils over the past year, activities of the people's councils have achieved obvious progress. At their conferences, the people's councils discussed and debated various issues in a frank and democratic manner, and have adopted many concrete, important resolutions responding to the people's aspirations.

Besides, the people's councils have organized many seminars to discuss and formulate measures to resolve pressing issues related to production, business, and the daily life of the people in localities. The people's councils have effectively strengthened their control and inspection on the implementation of the state law, the National Assembly's resolutions, and the government's decisions while sparing no efforts in carrying out the councils' resolutions and the activities of the people's committees and specialized agencies in localities. At many places, the people's councils have contributed great efforts to opposing corruption, goods smuggling, and violations of the state's and people's properties. Various activities of the people's councils have also contributed to firmly maintaining security and social order and safety and to better settling the people's letters of complaint and denunciation.

The concrete activities of the people's councils have been closely monitored by people throughout the country. The work efficacy of the state organs of authority in localities has been enhanced considerably compared with the previous term of the people's councils, thus helping them to score concrete achievements and gradually eliminate the practice of working just for form's sake. These achievements have contributed to asserting the correctness of our party and state policy on the renovation.

Dear comrades, achievements scored in activities of the people's councils at various echelons were due to the efforts and realization of cadres of various echelons and sectors as well as of the people on the necessity to enhance the efficacy and improve activities of the people's councils—the key factor for guaranteeing and developing the people's right to mastery.

The recently established standing bodies of the people's councils have promptly engaged in various activities in a dynamic and enthusiastic fashion. They have consistently contributed to implementing the functions and duties of the people's councils. Efforts to fulfill tasks by the majority members and the people's council committees and other activities of the standing bodies have created new progress at various state organs of authority in localities. Positive changes in the organization and activities of the people's councils over the past year were made in close cooperation with the people's committees, the Vietnam Fatherland Front, and other mass organizations.

Another important factor that contributed to the successes of the people's councils was the progress made by echelons of party committees in their leadership over the people's councils. Various party committees have nominated many competent and prestigious cadres for the people's councils to elect to various standing bodies and committees.

Dear comrades, achievements scored by the people's councils are important and encouraging. However, these are only initial results achieved mostly in provinces, districts, and the corresponding levels. I would like to say that the people's councils have not yet met all the people's aspirations and requirements for renovating their organization and activities. The people's councils in some localities, especially at the grass-roots level, have not been able to eliminate the practice of carrying out work just for form's sake. They have not seriously carried out the inspection and control work over the implementation of resolutions, state law, and other party and state key tasks in many places. Some people's councils even issued concrete decisions on their routine work and so forth, while some standing bodies carried out their activities in a cumbersome manner because of their lack of experience.

Moreover, activities of the people's councils prior to the national conference were not active enough. Various committees and deputies of the people's councils have not satisfactorily implemented their control and inspection functions. It is necessary to note that the activities of the people's councils at villages, subwards, and towns are still very important while people's councils at the grass-roots level have not been able to really develop their role as the organs representing the people's will and aspirations. As a result, it is necessary by all means to consolidate and improve people's councils at the grass-roots level. This is an urgent task requiring us to discuss and formulate effective measures to resolve this important problem. Another key task is that we must continue to renovate the party committee leadership over the people's councils while party members at these councils must strive to uphold the party leadership role and set good examples for others. Party committees should consistently provide guidance on the orientations and tasks of the people's councils, help to enhance the capabilities of people's council deputies, and consistently monitor the activities of party members working for various people's councils.

Dear comrades, renovating the organization and activities of the people's councils is a new task lacking the best model to follow. As a result, we must courageously take appropriate measures to resolve problems in a creative fashion. Of course, obstacles, confusion, and differences are unavoidable. However, we should not carry out tasks in a hasty fashion while striving to overcome sluggishness. We should work consistently while drawing experiences to improve our tasks.

I suggest that all delegates to this conference should work having in mind a new political thinking, and strive to discuss and debate issues in a frank and open manner, thereby contributing to the success of the conference.

I wish you comrades good health and the Third National Conference of People's Councils splendid success.

Further Reports on Congresses, Draft Documents

4th Military Region Ends Congresses

BK2103085691 Hanoi Domestic Service in Vietnamese 1400 GMT 20 Mar 91

[Text] The 4th Military Region has recently completed its first round of party organization congresses at the grass-roots and above levels.

The military region party organization has issued a resolution on guiding and supervising these congresses to ensure their success. It stressed that the satisfactory organization of these congresses is the key political task of the region for the first half of 1991.

Various basic party organizations in the region have held meetings for their members and the people to study and discuss the draft documents of the Seventh Congress of the Communist Party of Vietnam.

Earlier, implementing the Vietnam People's Army [VPA] General Political Department directive, various party organizations in the region have improved their organization, strengthened their leadership role, enhanced party members' combativeness, and settled many people's letters of complaint and denunciation.

During the preparation process, the standing body of the military region party committee and the VPA General

Political Department have consistently provided guidance and supervision to these congresses, thereby helping them to succeed notably.

Vinh Phu Reviews First Congresses

BK2003093591 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 Mar 91

[Text] The Vinh Phu provincial party committee met recently to review the first round of party organization congresses at various levels. Since early February, all party chapters and grassroots party organizations have arranged for cadres and party members, as well as people, to discuss and contribute views on the documents of the Seventh Party Congress.

In the first round of party organization congresses, participants contributed 48,000 views to the draft platform for socialist construction during the transitional period, and another 26,000 views to the draft strategy for socioeconomic development up to year 2000. In the second round, tens of thousands of views have also been contributed to other documents of the party.

Many participants noted that although the party has affirmed agriculture as the main sector in its resolution, the state from central to grassroots levels have not invested adequately in material and tecnical bases for agricultural production.

Peasants in the hilly areas of Thanh Hoa, Doan Hung, Tam Dao, Lap Thach, and Song Thao districts want the state to invest in afforestation and adopt appropriate policies for planters of industrial crops, especially those being used as raw material for paper production. Meanwhile, all ethnic minority groups in the province have called on the party and state to pay attention to communications, culture, and public health in the mountainous areas.

To date, the first round of party organization congresses at the grass-roots level in Vinh Phu has basically been completed. Phong Chau District will be the first to hold the first round of party organization congresses at district and city levels.

Dac Lac Finishes First Round Congresses

BK2003084491 Hanoi Domestic Service in Vietnamese 1430 GMT 18 Mar 91

[Text] As of 15 March, 25 basic party organizations of Dac Lac Province had completed their first round of congresses. These congresses animatedly discussed the five draft documents of the Seventh Congress of the Communist Party of Vietnam. Party members of the armed forces, people's public security force, scientific-technological agencies, and retired cadres contributed many concrete ideas on these party documents.

Party members of the ethnic minority groups contributed ideas to the investment and economic development policy for the Central Highlands and policies on public health, culture, and education.

A number of basic party organizations and party chapters of Ban Me Thuot City and the E Truot agro-forestry union had to reconvene their first round congresses recently because they had not been correctly organized.

Some provincial, district, and city party committees are examining the activities of leading cadres of basic party organizations at various state farms and enterprises to help them overcome shortcomings and satisfactorily organize party organization congresses. These include the 11 March state farm, the Dac Lac union of coffee enterprises, the Buong Ho state farm, and the Krong Pong public health center.

Cuu Long Holds Grass-Roots Congresses

BK2103143091 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Mar 91

[Text] Many party chapters and party organizations of the 14 districts and cities and four party committees directly subordinate to the Cuu Long Provincial Party Committee have finished their first-round congresses. Most of the congresses met the set requirements. Numerous party chapters and party organizations paid attention to consolidating party bases, did a good job of soliciting and summing up suggestions made by cadres and party members to the draft documents of the Seventh National Party Congress, and acted in a democratic manner in electing delegates to attend upper-level party congresses.

Ha Bac Military Organization Holds Congresses

BK2103151291 Hanoi Domestic Service in Vietnamese 1400 GMT 20 Mar 91

[Text] As of 11 March, the Military Party Organization of Ha Bac Province had finished holding party congresses of its partry chapters and grass-roots party organizations to discuss and make suggestions to the draft documents of the Seventh National Party Congress, to elect delegates to attend upper-level party congresses, and to reach agreement on a program for emulation action to record achievements in honor of the local party congresses and major anniversaries in 1991.

The Provincial Military Party Committee chose the party organization of its Political Office as a pilot unit to hold a party congress to draw experience for other party organizations. Party committee members of all party chapters and party organizations directly subordinate to the Provincial Military Party Organization were invited to attend that congress to learn from its experience. The Standing Committee of Ha Bac's Military Party Committee assigned to each of its members the task of working together with the Political Office's Party Committee to meticulously prepare for the congress in all respects, from its content and form to the method of conducting the congress and taking note of and summing up suggestions. They also prepared for the elections and the formulation of a program of action in strict accordance with the established objectives, schedules, procedures, and principles.

The congresses of the party chapters and party organizations directly subordinate to the Provincial Military Party Organization elected 92 delegates to attend the congress of delegates of Ha Bac's Military Party Organization which is scheduled for late March.

Artillery Force Views Draft Documents

BK2003034891 Hanoi Domestic Service in Vietnamese 1400 GMT 18 Mar 91

[Text] The artillery force has satisfactorily completed its party organization congresses at the grassroots and above levels. Delegates to these congresses expressed their identity of views to the party draft political report and other draft documents of the upcoming Seventh Communist Party of Vietnam [CPV] Congress.

All delegates expressed their opposition to political pluralism and supported the socialist path chosen by the CPV and Uncle Ho. In this spirit, delegates to the congresses contributed their views and discussed measures aimed at developing agriculture, increasing grain production output, and developing industry to produce consumer goods and goods for export. Realizing their responsibility in helping to formulate and implement resolutions of the Seventh CPV Congress, party members of the artillery force have contributed ideas on improving the information service to keep all party members well informed of the current situation so as to guide and supervise the people.

These congresses have elected competent, prestigous party members to attend party organization congresses at the higher levels.

Logistics Department, Haiphong Congresses

BK2003062191 Hanoi Domestic Service in Vietnamese 1400 GMT 14 Mar 91

[Text] All basic party organizations of the Logistics General Department completed their first round congresses in mid-March. Experiences drawn from the past show that preparations for these congresses are very important. All preparations related to the congresses agenda and organizing officials must be compiled into documents by secretaries and members of party committees. It is necessary for all party members to discuss and firmly grasp the contents of party draft documents while making themselves prepared to express accurate and concise ideas on the most interesting issues.

In this spirit, most of the delegates to these congresses strickly observed regulations and presented their ideas in a serious manner to save the time of the congresses.

Meanwhile, the Haiphong municipal military command has held a seven-day party organization congress in a lively manner. Thirteen basic party organizations of the military command have formulated a revolutionary program of actions aimed at further enhancing the capability of party members of all units and agencies. The congress urged all party members to fulfill the assigned tasks and strive to refrain from violating any rules and disciplines during the period from now to the Seventh CPV Congress. All basic party organizations were asked to help party committees to satisfactorily organize the second round of party organization congresses at their earliest convenience.

At this congress, 13 basic party organizations of the military command elected 100 official delegates and 15 reserve delegates—all of them are competent and prestigious party members—to attend the next round of the municipal military command party organization congress scheduled on 12-13 March [date as heard].

The success of the first round of basic party organization congresses was due to the capable guidance provided by standing bodies of party committees at the higher level. Thanks to these efforts, party committees at the grassroots level could bring their dynamism into full play and specialized agencies could effectively help party committees to guide and assist basic party organizations to triumphantly organize their congresses. Moreover, all party members have also contributed their great efforts for the success of these congresses.

National Seminar on Overseas Employment Opens

BK2003155591 Hanoi VNA in English 1514 GMT 20 Mar 91

[Text] Hanoi VNA March 20—A national seminar on the policy and administration of overseas employment was opened here yesterday under the co-sponsorship of the Ministry of Labour, War Invalids and Social Affairs, the International Labour Organization [ILO] Asia-Pacific Region, and the United Nations Development Programme [UNDP].

Prominent among the participants were Tran Dinh Hoan, minister of labour, war invalids and social affairs; David Smith, UNDP resident representative; and and Vnolo I. Abella [name as received], ILO regional advisor on migrant workers. The participants heard reports and exchanged views on questions relating to guest workers, including a strategy on sending Vietnamese workers to work abroad up to the year 2000, policies and measures to encourage overseas workers to remit incomes, and jobs for returned workers.

Nguyen Khanh Attends Archives Conference

BK2003090091 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Mar 91

[Text] The Department of State Archives has recently held a conference to discuss tasks for 1991. Council of Ministers Vice Chairman Nguyen Khanh attended and addressed the conference.

In 1990, the department has performed remarkably in a number of tasks, especially in compiling documents for sectorial management and in improving its cadre organization. Noteworthy is the department has recently been assigned by the Council of Ministers to handle all official letters and documents throughout the country.

They also made notable progress on document distribution. The department has assigned cadres to districts throughout the country to study the local situation to help improve archive management. Many artistic and literary documents with their useful background information were used by the authorities to organize the celebration of major anniversaries in 1990.

In 1991 the Department of State Archives will concentrate its efforts on document distribution to help accelerate scientific-technological research. It will strive to apply a new information technique to archive work especially at administrative agencies throughout the country, thereby effectively serving the renovation cause of our party and state.

Dong Sy Nguyen Visits Phu Yen Province

BK2003100591 Hanoi Domestic Service in Vietnamese 2300 GMT 18 Mar 91

[Text] Comrade Dong Sy Nguyen, member of the Party Central Committee Political Bureau and vice chairman of the Council of Ministers, recently visited and inspected production in Phu Yen Province.

Local leaders briefed the vice chairman on production and the life of people in the province. He also toured the Dong Cam farmland water conservancy system, Hoa Hoi and Tuy Hoa cities, and the mountainous district of Son Hoa.

Working with the standing body of the provincial people's committee and various services and sectors, Vice Chairman Dong Sy Nguyen commended all sectors and echelons in the province for their efforts in gradually developing the local economy and stabilizing the people's livelihood. Meanwhile, he pointed out shortcomings that must be overcome.

The vice chairman of the Council of Ministers paid special attention to the cotton planting in the province. Phu Yen is expected to plant 2,000 hectares of cotton in 1991. To date, however, only 200 hectares have been planted. This is due to the lack of state capital investment in the initial stage, as well as a shortage of fertilizer and insecticide. Meanwhile, the purchase prices of cotton continue to be unreasonable. Peasants obtain less profits from cotton than from other crops such as tobacco and beans.

Together with local leaders, the vice chairman worked out the best plans to encourage peasants in the province to develop cotton planting, their traditional occupation.

Australia

Politician: Close U.S. Bases Over Trade Dispute

BK2103093491 Hong Kong AFP in English 0924 GMT 21 Mar 91

[Text] Perth, Australia, March 21 (AFP)—A senior politician said Thursday that U.S. military bases in Australia should be closed if the United States refused to stop wheat subsidies, which he blamed for a devastating farm crisis here.

Ian Taylor, the deputy premier of Western Australia, said in the state's Legislative Assembly that the United States needed to be reminded of Australia's support in the Gulf crisis.

"With that friendship comes a responsibility that we are treated well," Taylor said.

"We should be saying, 'this is our last card, the last ace in our hand. We do not want to play it, but we are playing it now.' Unless they are prepared to make the changes needed, they will have to take their bases out of Australia."

Economic observers say subsidies paid to wheat farmers by the United States and some other countries, especially those of the European Community (EC), have caused a market glut and pushed prices below production costs.

The deputy leader of the Western Australian National Party, Monty House, also said the bases are the best way to pressure the United States to change its agricultural policies.

Australians were "living in fairyland", Mr House said, if they believed they could influence U.S. grain policies any other way.

In a related development, a group of angry Western Australian farmers threatened Thursday to travel 3,000 kilometres (1,875 miles) to Canberra and blockade the Federal Parliament House.

The announcement came after farmers gathered in the 'wheatbelt' town of Morawa in northern Western Australia to discuss the agricultural crisis with Acting U.S. Consul-General Jim Mcglinchey.

Most of the 400 farmers at the meeting saw it as a last-ditch attempt to convey to U.S. policymakers the depth of Australia's agricultural crisis.

But they were disappointed when Mr. Mcglinchey promised nothing, saying the EC is more at fault because it rejected a U.S. offer for both sides to slash wheat subsidies.

Foreign Minister To Visit PRC, Renew Links

BK2103062691 Hong Kong AFP in English 0605 GMT 21 Mar 91

[Text] Canberra, March 21 (AFP)—Foreign Minister Gareth Evans said on Thursday that he would visit Beijing from April 23 to 25 to re-establish the high-level dialogue with China which Australia broke off after the Tiananmen Square massacre in June 1989.

In a statement, Mr. Evans said that he would discuss the Cambodian conflict with Chinese Foreign Minister Qian Qichen.

He also expected "to raise again Australia's concerns about human rights in China."

Before going to China, Mr. Evans will address the annual meeting in Tokyo of the trilateral commission, a group of 300 individuals prominent in politics, business and academic life.

The meeting, focussing on "the dynamics of the Asia-Pacific region in world affairs," begins on April 20.

Mr. Evans will visit Hong Kong on April 21 and 22 to meet the governor and business leaders and to address the foreign correspondents' club.

"Australia recognises the importance both to itself and to the region of Hong Kong's continuing prosperity during and beyond its transition to Chinese sovereignty," Mr. Evans said.

Pointing out that the colony was the world's 11th largest trading entity, he said Hong Kong was "a major source of investment, tourism and migrants and an important market for Australian education services."

Mr. Evans will be the highest-ranking Australian cabinet minister to visit China since the army crushed the pro-democracy movement in Beijing.

Last month, Canberra decided to lift the remaining economic sanctions and restrictions on political visits.

"My visit will enable me to re-establish our high level dialogue with the Chinese, and to encourage further expansion of the commercial relationship between our two countries, and to express the hope that the processes of reform and modernisation begun prior to June 1989 would continue," Mr. Evans said.

Slump Over; But Analysts Say Economy Still Weak

BK2103095691 Hong Kong AFP in English 0914 GMT 21 Mar 91

[By Jack Taylor]

[Text] Sydney, March 21 (AFP)—Rising exports and slowing imports combined to boost Australia's Gross Domestic Product (GDP) and drag its economy out of recession, according to official data released Thursday.

But analysts were virtually unanimous that while the slump may now have bottomed, it is by no means over yet. Bureau of Statistics figures showed a 0.6 per cent rise in GDP for the December quarter following two successive quarters of negative growth—the technical definition of recession.

The economy had contracted by two p er cent for the September quarter and 0.1 per cent for the June quarter.

Treasurer Paul Keating told a news conference in Canberra the latest data indicated that in terms of production the economy was beginning to recover.

But it did not mean the government would consider dropping interest rates "at the moment," he said. "I think there is a broad recovery coming, though, which you can see from stocks, housing, improvements in consumer sentiment and falling imports," Mr. Keating said. "You can see that and I think that will continue."

The December quarter figures showed exports up 15.9 per cent on a year earlier while imports fell 4.3 per cent. Net exports had contributed 2.0 per cent to economic growth in the latest quarter, based on a 0.9 per cent contribution by exports of goods and services to GDP and a 1.1 contribution by imports.

The December rise also means the economy grew by 0.6 per cent in calendar 1990, up from a fall in GDP of 0.5 per cent in the year to September, which was revised from a 0.7 per cent fall.

The figures showed a plunge in investment was the main element holding the economy back in the December quarter. The downturn is, however, leading to optimism on inflation, with a survey by the Westpac Bank-Melbourne institute showing inflationary expectations at a record low level.

Macquarie Bank Chief Economist Bill Shields said he believed the latest figures indicated a potential recovery in the second half of 1991. "You may get another negative quarter, that is possible and the domestic economy is still very weak," Mr. Shields said. "I think interest rates will probably stay where they are but the key indicator the government has been talking about is inflation."

According to Bank America Economist Russell Maddox, the data showed "modest, if any, economic growth." "The domestic economy is weak, but the good news is it looks like we have a low inflation base," he said.

Bankers Trust Economist Stephen Miller also said the data showed low growth and a weak economy, but with a low inflation base.

Merrill Lynch Economist Warren Bird said a boost in gold exports before the introduction of a gold tax on January 1 pushed net exports higher and contributed to positive growth. Without that the economy remained "pathetically weak", he said.

The Australian share market slid to a weaker close, despite initially greeting the release of December figures with enthusiasm.

Brokers said comments from economists that the figures did not necesarily spell the end of the recession caused investors to retreat.

The all ordinaries index fell 4.7 points to 1424.6.

Fiji

European Community Grants $68.4 Million in Aid

BK2103074591 Hong Kong AFP in English 0651 GMT 21 Mar 91

[Text] Suva, March 21 (AFP)—The European Community Thursday agreed to provide Fiji with grants and loans totalling 94 million Fijian dollars (68.4 million U.S.) over five years, the largest amount this nation has received under the Lome Trade and Aid Convention.

Visiting EC officials also said Fiji and other ACP (African/Caribbean/Pacific) states in the Lome convention would be largely unaffected by the 1992 removal of trade barriers within the community.

"All ACP states will continue to have free access for almost 99 per cent of commodity exports into Europe after 1992," said Philippe Soubestre, deputy director-general of the European Commission, the EC executive.

Fiji, one of the main recipients of aid from the EC, will get 44 million Fiji dollars (31.7 million U.S.) to promote its private sector, agriculture, communications and training.

It will receive 50 million (36 million U.S.) in special loans from the European Investment Bank (EIB) for projects in energy, transport, manufacturing and agro-processing. Details of the interest rate and repayment period will be negotiated later. The funds are part of the Lome IV convention which 70 developing countries signed with the 12-nation EC here last March.

Mr. Soubestre said Papua New Guinea, the biggest recipient of Lome convention aid in the Pacific, would receive about 57.6 million U.S. dollars in grants over the next five years and 43.2 million in loans.

Signing the agreements with Finance Minister Josefata Kamikamica on Thursday, Mr. Soubestre said he hoped that grants would be "handed out quicker this time because of some concerns of delays over the past." He told a news conference: "Some people say trade and not aid but I feel both is necessary."

John Ainsworth, head of the EIB's division for Eastern Africa and the Pacific, told reporters that loans usually carry interest of 3-6 per cent and are repayable over 12 to

20 years. "For infrastructure we would allow 15-20 years but for industrial projects which have better returns it would be 12 years."

The EIB is one of Fiji's biggest lenders, responsible for about 30 per cent of the country's total external debt.

Fiji sells most of its sugar and tuna to the EC, mainly to Britain. "Fiji has continued to increase its share of the market in Europe over the years," said Mr. Soubestre.

New Zealand

Prime Minister Protests Soviet 'Spy' Activities

BK2103071291 Hong Kong AFP in English 0651 GMT 21 Mar 91

[Text] Wellington, March 21 (AFP)—New Zealand Prime Minister Jim Bolger on Thursday formally protested to Soviet Ambassador Yuri Sokolov over the presence here of an alleged Soviet spy.

The alleged spy, Anvar Razzakovick Kadyrov, was deported Tuesday after entering New Zealand on a forged British passport. He had been caught trying to obtain a New Zealand passport in the name of a dead person.

Mr. Sokolov, who was summoned to Mr. Bolger's office, emerged later saying he would convey the protest to Moscow but he did not believe Mr. Kadyrov was a spy.

Mr. Sokolov dismissed the matter as a mere "immigration case" and suggested that the alleged spy was merely "trying to emigrate."

He said Mr. Kadyrov had obtained a Soviet passport from the Soviet embassy here and was believed to be on his way to Moscow despite Television New Zealand suggestions that he may attempt to defect to Britain.

Mr. Sokolov said he did not believe the incident would affect diplomatic and trade relations between the Wellington and Moscow.

The spy scandal broke Wednesday when Mr. Bolger told parliament Mr. Kadyrov used a copy of the birth certificate of a New Zealander, born in 1960, in order to try to get a New Zealand passport.

The birth certificate was that of a person who died as a child.

The DOMINION newspaper on Thursday quoted government sources as saying that the alleged Soviet agent may have mounted his "elaborate and time-consuming operation" to get a New Zealand passport in order to operate freely in another commonwealth country.

The technique is similiar to that described in Frederick Forsyth novel "Day of the Jackal" where the main character reads tombstones in a cemetery to find the name and date of birth of a child and then uses that person's birth certificate to get a passport. In the book, the character was aiming to assassinate then French President Charles De Gaulle.

The connection was not lost on Mr. Sokolov who said, "perhaps someone read about it and tried to copy it."

Asked if the KGB was using novels on which to base its spy operations, Mr. Sokolov said, "everybody in the Soviet Union reads such novels".

Deported 'Spy' Reported Headed for UK

BK2103004691 Hong Kong AFP in English 1737 GMT 20 Mar 91

[Excerpt] Wellington, March 20 (AFP)—A man deported from New Zealand as a Soviet spy was Wednesday believed enroute for Britain, Television New Zealand (TVNZ) reported here.

Prime Minister Jim Bolger in a special statement to parliament Wednesday said the man he named as Anvar Razzakovich Kadyrov had entered New Zealand on a forged British passport and had been caught trying to obtaining a New Zealand passport.

Soviet Ambassador Yuri Sokolov denied late Wednesday that the man was a spy, saying it was unreasonable to think his country would send agents here.

"Its a case of immigration, not of spying," he said.

"What do you think people can spy on in New Zealand?" He said.

The British Embassy declined comment, but TVNZ, who claim to have known of the man prior to Mr. Bolger's statement, said Mr. Kadyrov was believed to be heading for Britain.

Without quoting sources TVNZ said New Zealand authorities had cooperated with Britain's counter espionage department MI6.

TVNZ said the man and his New Zealand police escort had passed through Los Angeles Tuesday.

In previous expulsions of alleged Soviet spies the people have flown from New Zealand to Singapore to meet scheduled Aeroflot services to Moscow.

TVNZ said it is understood Mr. Kadyrov had not been spying in New Zealand but had been trying to obtain documentation here for later use.

British MP Rupert Alison, who writes on espionage issues under the name Nigel West, told TVNZ that the Soviets had previously used New Zealand passports.

"I would guess his ultimate objective would have been the United Kingdom or the United States," he said. [passage omitted]

Papua New Guinea

Opposition Condemns Gurkha Recruiting Proposal

BK2103080791 Melbourne Overseas Service in English 0500 GMT 21 Mar 91

[Text] The opposition in Papua New Guinea has described as total madness and plain stupidity, a proposal to recruit up to 5,000 Gurkhas for a proposed National Guard. An opposition spokesman, Mr. Mastid Yongaleo, says the plan is aimed at creating an elite army to protect the lives of corrupt politicians in power and to safeguard their interests. Mr. Yongaleo believes the move would undermine the constitutional existence of the Defense Force as the only organization vested with the responsibility to protect national sovereignty and independence. The proposal to recruit Gurkhas is reportedly outlined in a cabinet submission which supported the setting up of a National Guard as part of the government's crackdown on law and order.

The submission suggested the Gurkhas would initially help police in the anticrime crackdown and then be involved in the military training of unemployed youths for the National Guard. The prime minister, Mr. Namaliu, says no decision has been taken on the proposal to recruit Gurkhas, but a task force has been set up to evaluate the whole question of the National Guard. Mr. Yongaleo says there are better ways than the proposed National Guard to address the problem of youth unemployment. He says the estimated $50 million [currency not further specified] cost of setting up the Guard could be better spent on a scheme to provide free education to all children.

Western Samoa

156 Candidates Run for 47 Seats in Elections

BK2103073591 Hong Kong AFP in English 0632 GMT 21 Mar 91

[Text] Apia, March 20 (AFP)—Registration of candidates for Western Samoa's first universal suffrage elections closed here Wednesday with 156 people putting their names forward in 47 seats, Registrar of Electors Mase Toia said Wednesday.

She was unable to give a breakdown of the figures, but it is understood the ruling Human Rights Protection Party and the main opposition Samoan National Development Party have candidates in every seat. She said registration of voters closed Saturday with between 55,000 and 56,000 names entered on the roles.

Western Samoa, with a population of around 170,000, has since independence from New Zealand in 1962 only allowed family heads, known as matai, the right to vote.

Only matai are allowed to stand for the Legislative Assembly, except in two "individual voter" seats held for descendents of colonists who arrived before independence.